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DISCOURSE

DEVOLUTION OF POWER

DELEGATION ♦ LOCALISATION ♦ DECENTRALISATION



PIDE

Pakistan Institute of Development Economics



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Discourse is a bimonthly magazine from the Pakistan Institute of Development Economics. Themed primarily around public policy and political economy, it aims to offer insight into social, economic and political issues on both domestic and global levels. The publication provides a general overview of the latest developments in Pakistan's economy, identifying key areas of concern for policymakers to suggest policy interventions.

The publication is a hands-on and precise go-to document for the policymaker, academic, journalist, researcher, corporate/development sector professional, or student seeking to remain updated and informed.

Discourse has recently been enhanced in scope, with various new sections added to the publication in order to broaden its subject matter and encourage rigorous, creative, and interdisciplinary analyses that cover a more expansive range of topics and appeal to lay audiences. In this vein, we have a) opened up submissions from the general public, and b) added several new sections to the bimonthly magazine, including opinion, business, sport, history, arts and culture, and more!

In light of the forthcoming general election cycle, in which various discussions are taking place about the key areas in which political parties must direct their

attention in order to avert lasting socioeconomic damage to the country, this issue of Discourse is themed around devolution of power.

Being a multiethnic, multireligious, multilingual nation, it is of utmost importance - both for the sake of basic democracy and to mitigate the possibility (or probability) of endless internal conflict - for Pakistan to delegate power to lower tiers of government.

The 18th Amendment, in which provinces were granted autonomy, was a step in the right direction in this regard. Unfortunately, the spirit that animated this decision was never taken to its logical conclusion - i.e. empowered local level governments, both from a financial and administrative standpoint. The consequences of this, particularly for the working masses, have been nothing short of catastrophic. Without the participation of ordinary people in key decision making processes that affect their lives, policy will always remain top-down, decontextualized, vulnerable to the opportunistic desires of ruling elites, and simply counterproductive.

This issue is an attempt to outline - in broad terms - the various measures that can be taken by those who occupy the power corridors in Pakistan to cede space. It will cover case studies from across the globe, the political economy of devolution, areas of ambiguity about the issue that must be addressed, and perspectives on energy and gender parity. We hope you enjoy this issue of Discourse!

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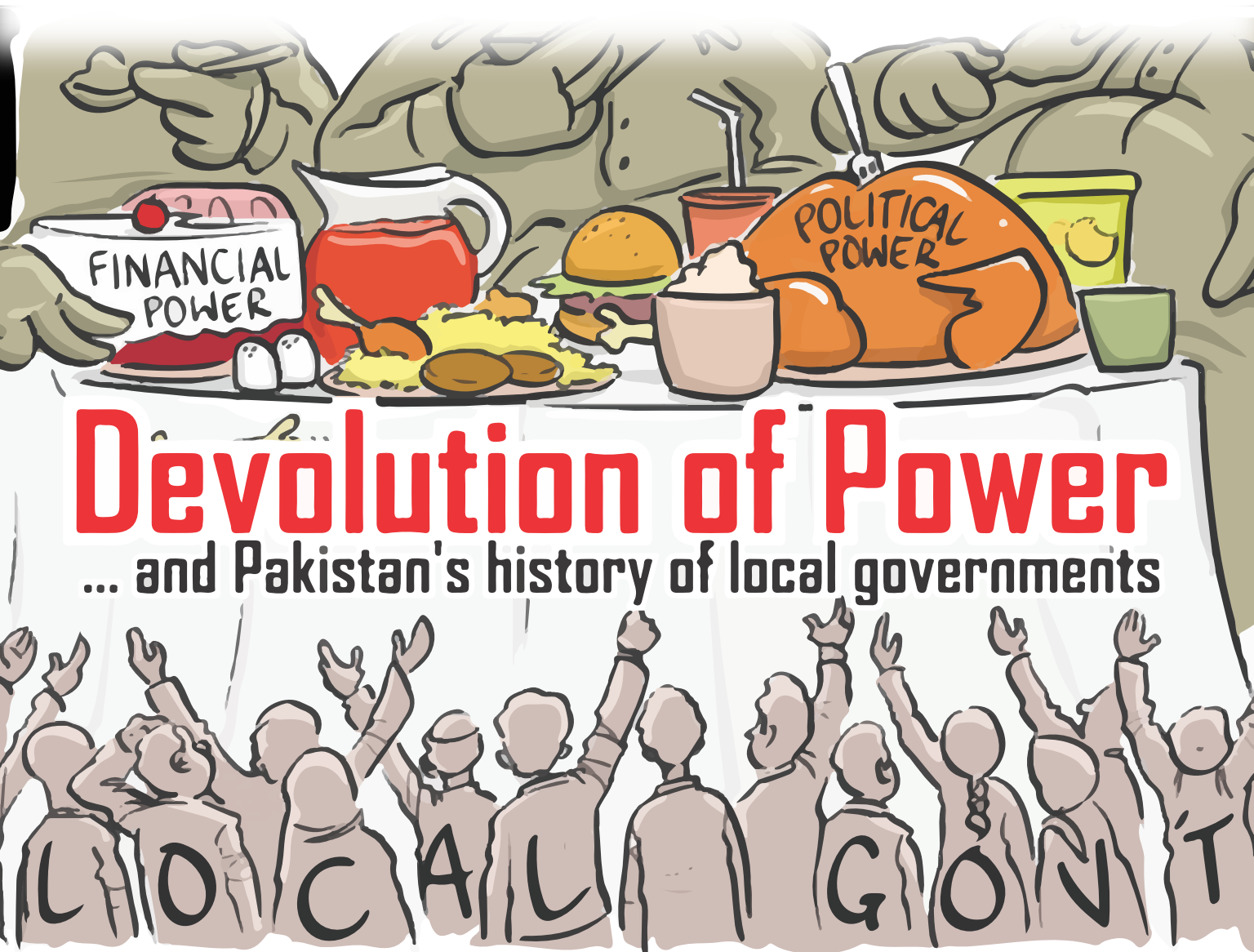


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COVER PIECE

DEVOLUTION OF POWER

DELEGATION, LOCALISATION, DECENTRALISATION



Devolution of Power

... and Pakistan's history of local governments

Pakistan's institutional arrangements have remained largely intact since independence – carrying forward the colonial legacy of excessive centralisation. During the British Raj, this made sense as the primary objective was not the pursuit of inclusive, sustainable growth and development but rather extraction. This is when resources, particularly raw materials, were coercively funnelled back home to fuel the industrialisation process. In order to ensure this, ordinary citizens had to systematically be obstructed from all decision making processes in the governance domain.

The only 'role' a select few of them – the 'brown sahibs' – had was to act as facilitators, manufacturing consent for the wishes of the administration and getting the legwork done when it came to executing tasks. While terrible for the indigenous populations, this structure of power worked incredibly efficiently for the rulers: who were able to extract an estimated USD 45 trillion from the subcontinent during the period 1765 to 1938. This legacy has meant deeply entrenched structures of governance that have, to this day, not been revised or thought about in a critical and democratic manner.

On this, there are various lessons Pakistan may learn from other countries across the globe that have – through a gradual evolutionary process – managed to instil institutional arrangements that are dynamic, efficient, and participatory. These include the likes of China, France, the United Kingdom and the United States. For example, just the city of London has a two-tier local government system – one executive/legislative and one administrative – that is in charge of running the (incredibly large) city. The overarching head of the former is the Mayor, who is elected directly by the people and held accountable by the 25-member legislature underneath him: also popularly elected. Then there are 32 separate boroughs, further divided into 'wards' that are each headed by three elected councillors and responsible for executing decisions.

A fundamental aspect of effective governance is the availability of granular, updated information that can be acted upon in as swift and seamless a manner as possible to address the needs, desires, and grievances of ordinary people. This knowledge is crucial, as contextual details always vary: policies that may be advisable in one district, for instance, can be quite wasteful in another. The primary mechanism through which this challenge can be addressed, and is indeed so across the globe, is via local government bodies that are both financially and administratively empowered. This means both an 'executive' body in charge of the governance of particular regions – such as districts or divisions – whose members are directly elected by,

and thus accountable to, the people of those regions while also facilitating the 'directional' desires of the provincial head, in this case the Chief Minister. Furthermore, each of these regions must – if they are to serve any function – be empowered financially. This can be based on simple population statistics or can have added incentive mechanisms such as reduction in out-of-school-children, graduation from welfare programs, improvements in agricultural productivity, etc.

In Pakistan, the 18th Amendment functioned to devolve powers down to the level of provinces – granting them autonomy over functions including but not limited to education, healthcare, policing and criminal procedures more generally, urban planning, and environmental management. It also assigned total autonomy to each of the provinces in terms of their internal governance, legislative affairs, and financial transactions. Finally, the National Finance Commission (NFC) Award was restructured to add factors other than population – such as poverty/backwardness and revenue collection – so as to introduce an element of equity to the mix. While this was a welcome initiative, its net impact was to relocate the locus of power from the federal government to the provinces: with 'ordinary citizens' hardly included in key decision making processes. This has led to wide ranging debates about the Provincial Finance Commission, which by many accounts ought to follow the same logic of the NFC down to lower levels of government.

In provinces like Sindh, this has meant the continued dominance of big landlords that have maintained a coercive control over their respective communities – ensuring their votes to the same party term after term in exchange for personal rewards in an elaborate system of patronage politics. Legislators in both provincial and national assemblies, for instance, are 'electables' that hardly have any interest in forgoing their foothold in the corridors of power: and it is unlikely that they would support large scale devolution. This has naturally meant both a historic neglect of rural areas from a governance point of view and consistent underdevelopment of urban spaces, which continue to prioritise cars over public transit, sprawl over density, and elitism over inclusivity. The political economy of this domain, therefore, is crucial: how can settlements between various brokers be made to advance this cause?

Devolution for its own sake is not the proposal here. There is, as pointed out by various scholars, a point at which this pursuit generates diminishing returns: a case in point being the floods of last year. In the context of a largely absent state apparatus, the NGO sector jumped in to address the most pressing concerns of disaffected communities at the time.

While laudable, these efforts were generally scattered and ad-hoc in their nature. Without a clear centralised body coordinating efforts via the sharing of real time information about regions in need of attention, a certain saturation of ‘assistance’ was observed – with too many NGOs in places that did not need them and too few in those that did. This was a real time example of how decentralisation can, at times, lead to perverse outcomes.

In this issue of Discourse, we attempt to highlight the nuances that are – and will be – involved in a process of wide-scale decentralisation in Pakistan. In this spirit, we outline actionable steps that may be taken by ruling elites to move towards wider power sharing arrangements, the historical path dependencies and political economy factors that may hinder and obstruct such an initiative, and the various questions that must be answered to establish clarity on what – in terms of specifics – the ideas of devolution, localisation and delegation even mean?

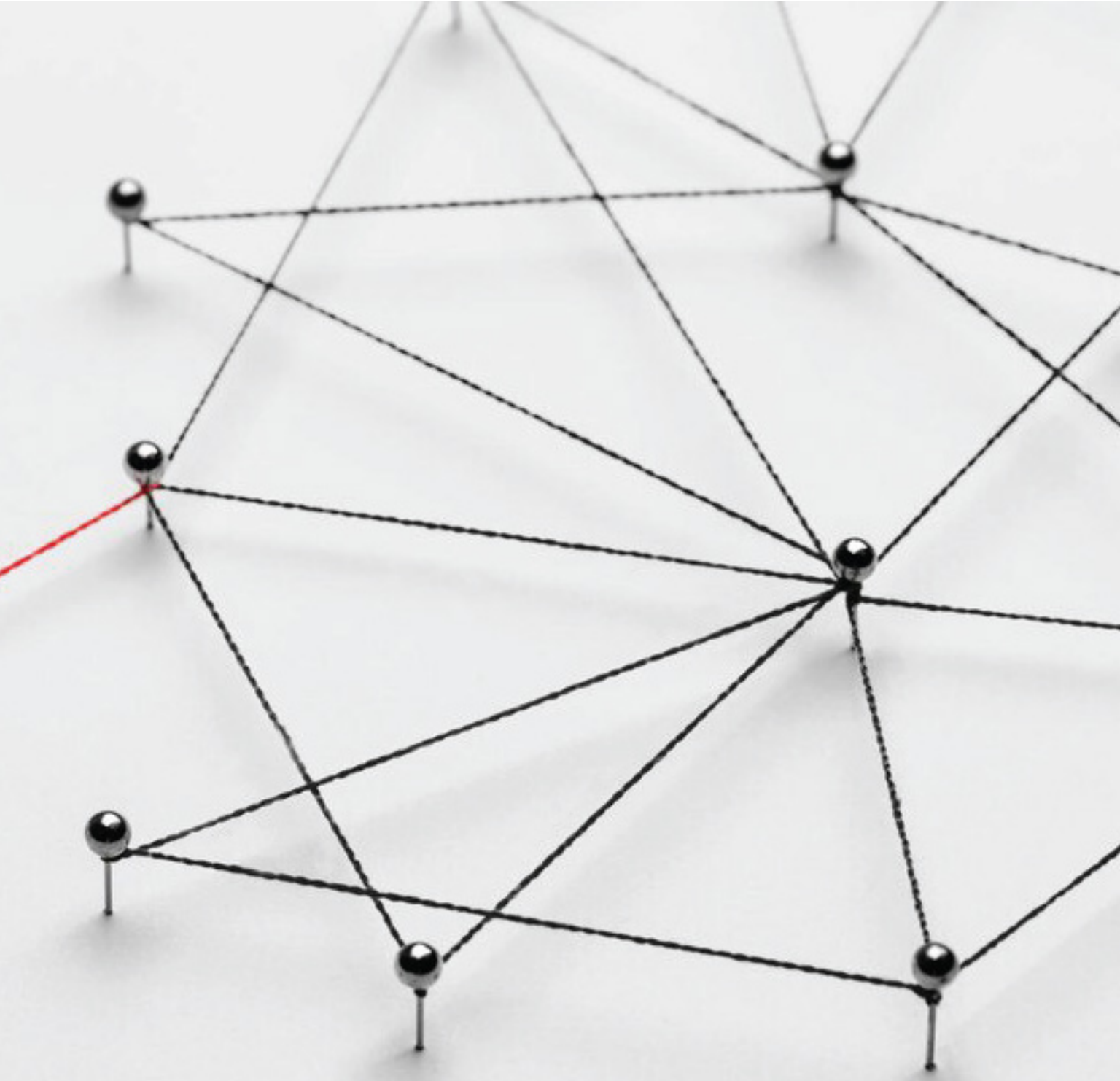
We hope that this can serve as a conversation (or discourse!) starter for how Pakistan can move towards genuine democracy by involving people in governance procedures and allowing them a central place in choosing what sort of policies they desire. With a diverse range of viewpoints (as is generally the case in our publications!), we hope the following pages offer insight into the world devolution – with all its messiness and linkages to other parts of economic affairs. If you enjoy it, be sure to continue the conversation on our social media platforms and let us know your thoughts!

Yours Sincerely,

Editorial Board
Discourse Magazine
Pakistan Institute of
Development Economics

DEVOLUTION OF POWER

DELEGATION, LOCALISATION, DECENTRALISATION





OPTIMAL LOCAL GOVERNANCE FOR PAKISTAN: IMPROVING WHAT WE HAVE

Mayraj Fahim

The evolution of Pakistan's local governance has been hostage to a conflicted colonial legacy. Structurally, urban and rural frameworks reflect two periods of British governance that are outmoded and incompatible with the other - as well as the needs of a rapidly urbanising country.

Restricted local autonomy, a colonial legacy shared by all former British colonies (among and within them), further complicates the challenge; as do the actions and omissions of successive governments.

COLONIAL LEGACY: URBAN

Local systems of the former colonies reflect the era of adoption. Pakistan's urban governance to some degree most resembles features existing in the United States (US). It has the weaknesses and none of the strengths. Weaknesses include fragmented governance, sprawl that causes decay (highlighted by Tom Bier and Charles Marohn), state control that can include direct control of local matters, mandates/unfunded mandates, functional laundry list legislation.

Special service agencies (such as the Karachi Water and Sewerage Board) are a common feature. However, in the US, both state and local agencies issue municipal bonds to finance capital improvements. Intrusive provincial control is a feature that Pakistani cities share with New York's cities.

Harvard Professor Gerald Frug, in 'Empowering the City: London / New York' explained that "New York State has denied it control over many of the most important ingredients of urban life."¹ Putting this in

perspective, New York City's budget exceeds most state budgets.² Despite the size of its budget and autonomy, the inertia of the state's development body caused the city to support self-financing Business Improvement Districts (BIDs) in which local property owners and merchants finance and provide supplemental services to improve commercial areas. As per FY 19 report: "BIDs can make quick decisions to shift their priorities and resources to the most pressing matters in their districts".³ The amount is not minor as the city's current 76 BIDs have spent an annual USD 187 million for local improvements according to the city.⁴

This Toronto innovation is now widely used in the US, Canada and many countries. The BIDS transformed commercial areas for the better.⁵

New York's local governments overall have the most local autonomy, according to a study by scholars at George Washington Institute of Public Policy.⁶ Nevertheless, as Columbia Professor Richard Briffault points out, the autonomy is insufficient to "function as efficient, effective, locally accountable governments."⁷

¹Frug, G. (2010, February 17). Empowering the City: London / New York. Urban Omnibus. The Architectural League of New York. <https://urbanomnibus.net/2010/02/empowering-the-city-london-new-york/>

²New York City Independent Budget Office. (n.d.). Understanding New York City's Budget A Guide. New York City, NY. <https://www.ibo.nyc.ny.us/iboreports/understandingthebudget.pdf>

³New York City Small Business Services. FY 19. NYC Business Improvement District Trends Report. Pg. 4. <https://www.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/fy19-bid-trends-report.pdf>

⁴New York City Small Business Services. BIDs webpage. <https://www.nyc.gov/site/sbs/neighborhoods/bids.page>

⁵Furman Center Policy Brief. (2007, July) The Benefits of Business Improvement Districts: Evidence from New York City. New York University. <https://furmancenter.org/files/publications/FurmanCenterBIDsBrief.pdf>

⁶Wolman, H., McManmon, R., Bell, M., Brunori, D. (n.d.) Comparing Local Government Autonomy Across States. George Washington Institute of Public Policy. The George Washington University. https://gwipp.gwu.edu/sites/g/files/zaxdzs2181/f/downloads/Working_Paper_035_GovernmentAutonomy.pdf

⁷Briffault, R. (2015). Article IX: The Promise and Limits of Home Rule, Columbia Public Law Research Paper No. 14-436. Columbia Law School, Columbia University. https://scholarship.law.columbia.edu/faculty_scholarship/1902

The dysfunctionality inherent in this governance method remains reflected in inequality of funding and attention, as reflected in ignoring the transit needs of New York City's Bronx borough (which is a state responsibility)⁸. In doing so the state contributed to disadvantaging the economic prospects of its residents and the borough.⁹ Further, by making transit Manhattan-centric for too long, the State held back the economic potential of the city.

The strengths of the US system were developed through problem-solving,¹⁰ generally to avoid penalisation in the municipal bond market; and by the desire to develop. These include among them dedicated laws (e.g. local government finance law of North Carolina (NC) – outlining the foundation for financial management), municipal bond market, home rule (allowing more autonomy), permitting local annexation and mergers, capacity building (ex., role of UNC SOG in NC - educating, informing and advising state and local officials), programs to boost struggling localities (ex., Pennsylvania's rehabilitative Act 47 program), financial crisis management methods (direct and indirect supervisory methods), business improvement districts.

COLONIAL LEGACY: RURAL

The structure of Pakistan's rural model, nonexistent in US, reflects the Anglicised French model established at the county, district and parish level in late 19th century (1888-1894) to cope with urbanisation. At the time, over 60% lived in urban areas with population over 10,000 and over 40% lived in urban areas with population over 50,000.¹¹

Previously, numerous ad hoc Improvement Districts providing specialised services had been established to address the needs of the urbanising country. This model has not worked out well in South Asia that urbanised afterwards and developed urbanising villages/ ruralopolises¹² with a "governance deficit."¹³

France did not experience this problem because, irrespective of size, local governments have the same powers below the county (department) level. In France, the *arrondissement* (comparable to the district in UK and *tehsil* in Pakistan) only has a functional role enabling more agency below the department level.

MODERNISING LOCAL GOVERNANCE BY LEARNING FROM OTHERS

To accommodate the urban/rural systemic divide, consider a joint authority to support urbanisation at the fringes of urban and rural areas. Under the Punjab Local Government Act 2022 local governments can establish joint authorities opening up the potential for improvement in Punjab's local areas through collaboration.

For more productive governance, France is an exemplary source for guidance. The French can teach Pakistanis how to manage fragmented governance and use local government collaboration to boost local economies and reduce regional inequality by pooling capabilities and actions.¹⁴

The current interlocking system of local clusters in France contains municipal governments (*communes*), county-level governments (*departments*), regional governments, collaborative systems and decentralised cities.¹⁵ The British, who have been following France since the 19th century, lag behind French local evolution and know it.¹⁶ France has a strong bureaucracy that has kept up with the times and facilitates development. France Services brings administrative help all over the country. The government targets improvements. Since 1963, a national agency (originally DATAR and since 2009 CGET) is involved in urban planning, regional development and facilitating it. It has parallels with China's NDRC. Its main focus is reducing territorial inequalities. It analyses trends, adapts public policies to the territories and monitors them. It develops and implements new regional and city planning policies, mobilising networks of local actors and citizens in the process.¹⁷

⁸Robinson, J (2023, April 30), "What About the Bronx?": The Interborough Express and Transit Inequity in NYC. Brown Political Review. Brown University. <https://brownpoliticalreview.org/2023/04/what-about-the-bronx-the-interborough-express-and-transit-inequity-in-nyc/>

⁹Urban Institute. (2021, December 28). Transportation Access. <https://upward-mobility.urban.org/transportation-access>

¹⁰Putney, B. (1937, September 28). State control of local finance. Editorial research reports 1937 (Vol. II). CQ Press. Congressional Quarterly Inc. <http://library.cqpress.com/cqresearcher/cqresrre1937092800>

¹¹Abramovitz, M. and Eliasberg, V.F. (1957). Government in Nineteenth Century Great Britain. In *The Growth of Public Employment in Great Britain*. Pg. 8. Princeton University Press. <https://www.nber.org/system/files/chapters/c2653/c2653.pdf>

¹²Qadeer, M.A. (2000, August). Ruralopolises : The Spatial Organisation and Residential Land Economy of High-density Rural Regions in South Asia. *Urban Studies Journal*, Volume 37, Issue 9. Sage. <https://journals.sagepub.com/doi/abs/10.1080/00420980020080271>

¹³Jenkins, C., Gadgil, M., Yousaf, S. (2012, October 7). India's census towns face a governance deficit. Mint <https://www.livemint.com/Politics/LgofSt7lmonVMBZ-goXUNl/Indias-census-towns-face-a-governance-deficit.html>

¹⁴Marchand, B. (2020, October 12). J-F Gravier and the French National Planning. HAL. [hal-02964602 https://hal.science/hal-02964602/document](https://hal.science/hal-02964602/document)

¹⁵Griffith, J. (2017) "The French Metropole: How it Gained Legal Status as a Metropolis." *Journal of Comparative Urban Law and Policy*, Vol. 2 : Iss. 1 , Article 3, 20-43. <https://readingroom.law.gsu.edu/jculp/vol2/iss1/3>

¹⁶Bessis, H. (2016, September 16). French Metropolises highlight strengths and weaknesses of English metro mayors. Centre for Cities. <https://www.centreforcities.org/blog/french-metropolises-high-light-strengths-weaknesses-english-metro-mayors/>

¹⁷OECD. Regional Outlook 2019. France. Regional Development Policy in France. [https://www.oecd.org/cfe/_France%20\(in%20English\).pdf](https://www.oecd.org/cfe/_France%20(in%20English).pdf)

France provides more local autonomy than UK¹⁸ and more local tax autonomy than US states.¹⁹ This enables even small cities to prosper and support regional economic prosperity. An example is La Rochelle (approx. pop 75,000) that anchors a local collaborative group and has been an innovator since the 1970s.²⁰ La Rochelle established the first pedestrian zone (1973) in France, self-service bike system (1976), electric cars for city officials (since 1986), fleet of electric cars and buses (1999).²¹ This small city and area it anchors have a dynamic economy.^{22, 23}

Boosting local finance and revenue collection, financial management, specialisation and capability of the civil service and elected representatives need to be a part of overall modernisation.

Due to the paucity of revenues, shared-financing by inhabitants of local areas can be a productive resource. Tando Soomro's villagers who co-finance provision of education, health units, streets, playgrounds and sewerage²⁴; and Sialkot's exporters who co-financed an airport, airline and other facilities have demonstrated that such collective financing is possible locally.

However, in the absence of a supportive framework, shared-financing has not become widespread. The example set by Toronto²⁵ has demonstrated what is needed to spread its use through supportive institutionalisation.

Shared-financing is especially useful for areas where local government capacity and/or finances are impaired as they are in Pakistan. Local businesses in Toronto pioneered co-financing of commercial area improvements to improve them when the city was unable to. Toronto is subject to the restrictive laundry list²⁶ legislation type that is also the norm in Pakistan. This impairs capacity to adjust/respond to changing conditions.

IMPROVING LOCAL AREAS WITH SHARED-FINANCING

France and China are world leaders in the use of local government clustering. They have the most extensive networked systems today. Both had economic motivations that are valid for all countries.

Among Western nations, France has the highest local fragmentation. Clustering has been its strategy for boosting local capabilities. The French focus has been on reducing regional inequality, resulting in declining rates from 1950s onwards.²⁷ France now has half the inequality of UK (mentioned in a speech by Andy Haldane, former Chief Economist of the Bank of England).²⁸ Italy's MSME clusters in industrial districts are renowned.²⁹

¹⁸Bessis, H. (2016, December 1). UK cities need more autonomy to compete with European rivals. Centre for Cities. <https://www.centreforcities.org/blog/uk-cities-need-autonomy-compete-european-rivals/>

¹⁹Reschovsky, A. (2019, January). The Tax Autonomy of Local Governments in the United States. Working Paper WP19AR1. pg. 8. Lincoln Institute of Land Policy. https://www.lincolnst.edu/sites/default/files/pubfiles/reschovsky_wp19ar1.pdf

²⁰Argerious, N.B., (2022, May 24). Smart Planning Has Made La Rochelle a Paradise for Walking and Biking. The Urbanist. <https://www.theurbanist.org/2022/05/24/la-rochelle-paradise-for-walking-and-biking/>

²¹LA ROCHELLE, A PIONEERING CITY IN ECOLOGY <https://inlingua-larochelle.com/en/la-rochelle-ville-pionniere-en-ecologie/>

²²Setting up your business in La Rochelle <https://invest-hub.org/territory/city-of-la-rochelle>

²³Economic life of the La Rochelle region. <https://adriem-larochelle.fr/en/economic-life-of-the-la-rochelle-region/>

²⁴Dars, M.S. (2018, September 15). Tando Soomro – visit to Sindh's glorious model village. Daily Times. <https://dailytimes.com.pk/298444/tando-soomro-visit-to-sindhs-glorious-model-village/>

²⁵<https://www.toronto.ca/business-economy/business-operation-growth/business-improvement-areas/>; <https://www.toronto-bia.com/>

²⁶City Solicitor, City of Toronto (2001). Powers of Canadian Cities - The legal framework. Toronto. https://www.toronto.ca/ext/digital_comm/inquiry/inquiry_site/cd/gg/add_pdf/77/Governance/Electronic_Documents/Other_CDN_Jurisdictions/Powers_of_Canadian_Cities.pdf

²⁷Regional inequality plunged from 1950. See. Figure 1. Regional per-capita GDP inequality in France, 1860-2010. In Sanchis, M. T., Rosés, J.R., Diez, A. (2015) Regional inequality in France 1860-2010: Structural change dynamics. <https://old.reunionesdeestudiosregionales.org/Reus2015/htdocs/pdf/p1565.pdf>

²⁸Haldane, A. (2019, May 7). Is All Economics Local? Bank of England. <https://www.bankofengland.co.uk/speech/2019/andy-haldane-sheffield-political-economy-research-institute-annual-lecture-2019#:~:text=In%20his%20speech%2C%20our%20Chief,depending%20on%20where%20they%20live>

²⁹Karjalainen, M. (2023, June 15). Power of Italian Industrial Clusters. LinkedIn. <https://www.linkedin.com/pulse/power-italian-industrial-clusters-marjaana-karjalainen/>

China developed speedily by using local government and MSME clustering (exemplified by Wenzhou³⁰ and other developmental models). KCCI was connected to Yiwu which developed with the Wenzhou Model. Alain Bertaud mentioned Chinese motivations for clustering in an interview for City Lab.³¹ Chinese cities include urban and rural areas. They are categorised as provincial-level, sub-provincial, prefecture-level, and county-level cities with urban districts in provincial-level, sub-provincial-level and prefectural-level cities. Lower order local governments are under jurisdiction of higher order governments.³²

City Clusters are being added to horizontally integrate the systems. China will, as a result, have an extensive networked vertical and horizontal system of local governments.³³ These City Clusters are trendsetters in mega-urbanisation.^{34 35 36}

Additionally, commercial areas of secondary cities could be enhanced with mixed use development in commercial areas, including in the South East Asian “shophouse” format (to make life easier for migrant shopkeepers). Further, improving commuting would facilitate labour market density that boosts urban areas.³⁷ An illustrative example: British cities are less productive than European cities because of sprawl³⁸ and weak transport.³⁹

IFPRI research has revealed that rising heat is motivating migration even more than floods.⁴⁰ Provinces should make urbanization productive and help rural residents boost non-farm income since they cannot influence climate change. Relevant experiences of other countries are useful resources.

30Walcott, S. (2007). Wenzhou and the Third Italy: Entrepreneurial Model Regions. *Journal of Asia-Pacific Business* 8(3):23-35 https://libres.uncg.edu/ir/uncg/f/S_Walcott_Wenzhou_2007.pdf

31Gray, N. (2018, December 11) How Cities Design Themselves. City Lab. Bloomberg. <https://www.bloomberg.com/news/articles/2018-12-11/urban-planner-alain-bertaud-s-case-for-bottom-up-design>

32China's Political System. <http://www.china.org.cn/english/Political/28842.htm>
33Xin, L. (2021, April 28) What's bigger than a megacity? China's planned city clusters. MIT Technology Review. <https://www.technologyreview.com/2021/04/28/1022557/china-city-cluster-urbanization-population-economy-environment/#:~:text=By%20035%2C%20five%20major%20city,Reaches%20cluster%20in%20central%20China>

34Bertaud, A. (2016, February 1) China's City Clusters. Presentation slides. 3rd WORLD BANK / GEORGE WASHINGTON UNIVERSITY CONFERENCE ON URBANIZATION AND POVERTY REDUCTION <https://thedocs.worldbank.org/en/doc/343681455906838472-0050022016/original/ChinaCityClustersBertaud.pdf>

35Guillet, C. (2018, August 24). China city-clusters policy: clusters to boost regional development. ECCP News. <https://clustercollaboration.eu/news/china-city-clusters-policy-clusters-boost-regional-development>

36Groff, S.P., Rau, S. (2019) China's City Clusters: Pioneering Future Mega-Urban Governance. Summer 2019 / Volume III, Number 2. *American Affairs Journal*. <https://americanaffairsjournal.org/2019/05/chinas-city-clusters-pioneering-future-mega-urban-governance/>

37Salmeron, A.M. (2016, June 10). The urban factor of the labour market. Caixa Bank Research. <https://www.caixabankresearch.com/en/economics-markets/labour-market-demographics/urban-factor-labour-market>

38Foster, P. (2022, January 20). How sprawling suburbs are stunting productivity in UK cities. *Financial Times*. <https://www.ft.com/content/a45e028d-4b81-4bef-9546-970838ab963a>

39Rodrigues, G., Breach, A., Evans, J. (2021, November 3). Measuring up: Comparing public transport in the UK and Europe's biggest cities. Centre for Cities. <https://www.centreforcities.org/publication/comparing-public-transport-uk-europe-cities/>

40Shultz, C. (2014, January 14.) Climate Change Is Already Causing Mass Human Migration. *Smithsonian Magazine*. <https://www.smithsonianmag.com/smart-news/climate-change-already-causing-mass-human-migration-180949530/>

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DECENTRALISATION

and its Prospects

Umair Javed

Pakistan's struggles with instituting effective decentralisation beyond the provincial tier are well documented. Empowered local governments have generally been a rare aberration, rather than a norm, despite finding mention in the constitution. Ironically, local governments have been used to undercut provincial-tier politics and limit oppositional agitation during times of military rule, and have been kept dysfunctional to consolidate power at the provincial level under civilian dispensations. Overall, the track record on this front is unenviable.

In June 2023, Sindh became the only province out of four to have functional local governments. These too are compromised by the continued ingress of provincially managed authorities in local government/municipal functions such as solid waste management, building control, and public transport. This is similar to past experiences in Punjab and in Khyber-Pakhtunkhwa. The tragedy is that even when local governments are instituted, their mandates are heavily circumscribed.

The case for political and administrative decentralisation appears fairly obvious. As has been stated by several writers, the setting up of any kind of local government system in the country is, by all accounts, a net positive. On the delivery front, it allows for more localised planning and more accountable service provision. It reduces the amount of bureaucratic hoops individuals have to jump through to gain access to the state, and most of all, it makes interfacing with the government easier.

Having one deputy commissioner administering an entire district is infinitely less desirable than having an elected council for each locality.

More precisely, one can hone in on two sets of major benefits of localised administration: Firstly, nobody knows the problems of a community better than that community itself. In a day and age where the average constituency size of a provincial assembly member can cover both rural and urban areas, the chances of engaged and informed representation are close to zero.

Academic research by Zahid Hasnain, Ali Cheema, and others, on local development spending in Pakistan has shown that currently, all outlays made by politicians are hardly ever needs-based and almost always patronage-driven with the explicit view to securing electoral blocs for re-election. It goes without saying that a country facing a whole host of development challenges — many of which need to be resolved through local political processes — cannot really afford such crass patronage politics. An empowered (both fiscally and authority-wise) local body setup representing a few neighborhoods or a village can make community based development possible and at the same time actually allow our provincial and national level legislators to focus on law-making as opposed to fixing roads and water taps.

Secondly, there is the issue of more responsive governance. Electoral accountability is one particular route for people to make governments (local, provincial

cial, or national) responsive, and there are a host of other strategies and instruments available, such as citizen participation in local development, media oversight, court petitions, and public advocacy, all of which require avenues at the level where citizens encounter these issues.

All instruments, voting included, require some manner of political organisation based on a collective projection of interest. Party-based devolution will force political parties to develop grass-roots level linkages and organisational structures to deal with the rough and tumble aspects of local statecraft. By creating channels between Islamabad (or provincial capitals) and the lowest tier of administration, consensus exercises to back policy reform will be possible right down to the household level, and in the same vein, federal and provincial party bosses will be more aware of the issues faced by that elusive person known as 'the average Pakistani'.

While the case for decentralisation is strong, it makes sense to review a few arguments against it as well. It is pertinent to mention that a (mildly) reasonable case for the centralisation of executive authority, especially in province-level bureaucratic actors, does exist.

In the recent past, whether it be an infrastructure project or an immunisation drive, public sector dynamism has relied on exactly this mechanism. A centralised approach, built on a small team of political leaders and bureaucrats overseeing everything from assessment to planning to execution, works well for this project-based idea of governance.

With both domestic and international actors expanding their footprint on local development work, the need for project-based governance appears to have grown even more. To make work, institutional layers need to be removed and the capacity to deliver has to be implanted from above. In this calculus, a district council or a municipal corporation overseeing a historically under-resourced and low-capacity grassroots bureaucracy is viewed as a major hindrance.

It is possible to be somewhat sympathetic to this line of reasoning in so far that issues of capacity at all stages (planning, assessment, and delivery) do plague district-based bureaucracies. Local councils offer the potential to make optimal decisions on allocation of resources, but in many cases they are merely used for small-scale targeting of patronage. The persisting problem of capacity is one that can only be resolved over time, something which many political governments feel they don't have in ample amounts.

Nonetheless, installing trust in local governments and building their institutional capacity to deliver on a shared development vision has to start at some point. Project-based delivery will fall short in both development terms and on the political front. Health and education, for example, are both governance-based problems that cannot be resolved as stand-alone projects of sorts. They require an improvement in institutions and accountability mechanisms, which means investing in the capacities of line departments and their partners at the local level. Centralising authority and creating ad hoc governing arrangements will only act as disabling factors in the long run.

With a case established, what is the political landscape for devolution? The current Article 140-A of the constitution has proved insufficient, as has pressure from the courts. All mainstream parties have either failed to hold elections, or, where these have been held, have seen the withholding of financial and administrative power from the third tier.

There are a number of reasons why mainstream parties are so reluctant to devolve beyond the provincial tier. Absence of party strength at the grassroots and the reliance on local government functions and resources to win provincial and national assembly elections are two important reasons. From another perspective, this reluctance to devolve is also a form of 'class politics'.

The urban and rural upper classes that populate the MPA and MNA tier of politics have no desire to open up a democratic channel that would widen access of other socioeconomic groups.

Given this sub-optimal status quo, the prospects for effective decentralisation are weak. In other contexts, where entrenched interests have been overcome, it has usually been some combination of external pressure and internal demand for reform. External pressure in Pakistan's case comes from the courts, who have periodically taken up the issue of local governments and pressed provincial governments to carry out some exercise. That partly explains the recent elections in Sindh as well. There is also growing advocacy on the civil society front, with a range of initiatives making

Ultimately, an internal push within the political class is what is needed. There are advocates for devolution in every party. Every party has a cadre that has benefitted from devolution in the past and would like that tier of politics to open up. Many party activists know that is the only tier they can reasonably compete at, given how expensive provincial and national assembly elections are. The future for devolution in Pakistan rests on this internal voice growing louder.

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DEVOLUTION:

Missing Clarity on Structures and Systems of Governance

Shahid Kardar

It has by now almost become an article of faith that the most potent framework for bringing government close, and accountable, to the citizenry so as to address their more pressing needs for improving the quality of their lives is the devolution of authority manifested in local governments. This structure has finally been encapsulated in Article 140-A of the Constitution.

However, with continuous resistance from provincial legislators and governments, the formation of empowered local governments remains an unfulfilled objective/desire.

Moreover, much of the debate on it tends to be rhetorical, sweeping and general in nature: seasoned with a dash of romanticism about the outcomes, with specifics starkly missing on a host of linked elements. The generally perceived objective of the devolution framework is to devolve power such that those residing in say Sahiwal, Punjab will not have to come to Lahore (the provincial capital) to get their grievances redressed. Such an underlying model is conceptually flawed in that it assumes that those residing in Lahore have no such complaints and can access government to get such matters attended to. Such an approach is more than likely to create the same centralised, hierarchical administrative structures and governance systems that prevail at the provincial level, resulting in the establishment of mini provincial governments at the local level.

This article attempts to raise questions that would require clarity on what would be a viable and sustainable structure and the allied systems of governance and the possible constraints to the realisation of the laudable objectives and hopes associated with

devolution. It then proceeds to discuss one aspect, fiscal decentralisation, in greater detail.

a) What should be the manner of representative formation and the rules for formulation of local governments? And, as in the case of the Federal and provincial governments, should safeguards on tenure and ensuring timely elections be built into Article 140-A? What opportunities, if any, can be enshrined in this structure for citizen groups to participate in decision making and in the planning, design and implementation of service delivery programs and accompanying interventions?

b) What functions, fiscal and administrative powers and processes should be devolved? What should be the nature and extent of delegation, decentralisation and localisation of functions? For example, what should localisation mean? Of-course, they should have autonomy on allocations with priorities anchored in local exigencies and the urgency with which they should be addressed. But then if the local need for say drinking water is more persistent, having been long-neglected, and resource flows are barely adequate to provide for, and managing it, should it be at the expense of a national priority like schooling and primary health care or should the latter objective be incentivised through a matching grant criteria or built into the resource flow criteria from the provincial pool?

c) Should devolution, say as a starting point (owing to capability considerations), be restricted to basic social and economic services like school level education, primary health care, water supply, sanitation

and solid waste disposal? Or should they also cover some responsibilities discharged by the police and the agency maintaining local land records? And then what should be the functions and authorities of lower formations/tiers (like say union councils)?

d) Can one size fits all be a desirable and rational approach? To illustrate, a widely held view is that local governments should be formed along some arbitrary, administratively determined, district boundaries. But then should large cities be treated differently, e.g. Karachi with 7 districts and 6 Cantonments? Would it be that politically straightforward to propose that Karachi (with the majority of its non-Sindhi population) be made a vibrant, independent, autonomous and sustainable City Government: fully empowered, well-resourced, well equipped with the relevant skill mix to take on a more active role in the provision of services beyond their basic category to include say some curative health facilities and the management of the operations of agencies like the development and the water and sanitation authorities? Could such a decision then be marketed and also executed? A similar issue would be confronted in the case of Quetta with its majority Pashtun population (including the Afghans who have now settled there).

Moreover, should cantonments continue to be administered by the Army or should they be absorbed in the structure of the local government? In other words, clarity would be required on what would constitute the boundaries of the city in the static and dynamic senses.

e) Which tier of government should have ownership rights over 'government owned' land (including that used for government offices and housing of its employees), the gas-wells, etc. in the geographical area?

f) What should be the manner of recruitment of their employees and the determination of skillsets for professional inputs (with selection of professionals on merit employing criteria for assessing eligibility for the respective roles and positions and parameters for evaluating performance)? Mimicking the employee skill mix and compensation and retirement benefits structure of the provincial government, without a serious rationalisation of the administrative structure from the efficiency and cost effectiveness facets of service delivery, will merely lead to a speedy bankruptcy of these institutions. Or should these governments embrace the culture at the federal and provincial levels of elected representatives also holding executive positions? Also, how would these functionaries be accountable to the local government if they are employees of the provincial government or Federally controlled agencies and serving on secondment?

g) Finally, with the transfer of some of the functions to the local governments the size of the provincial would also have to be pruned – easier said than done – to check duplication as is the situation today at the Federal level after the 18th Amendment.

FISCAL DECENTRALISATION: POTENTIAL FOR RESOURCE MOBILISATION AND INCENTIVISING PERFORMANCE

Fiscal decentralisation and local government finance in Pakistan has to be located within the context of federalism in general. The reality is that despite being ostensibly a federation Pakistan has a highly centralised structure, characterised by the constitutional assignment of powers and the political administration and fiscal systems.

The Constitution gives the Federal Government the power to levy the most productive taxes under the present conditions for resource mobilization: taxes on non-agricultural incomes, taxes on import, production or excise duties and sales taxes on goods. The provinces are empowered to levy agriculture income tax, sales tax on services, levies on property transfers and property tax (it shares the collections from the last mentioned revenue base with the respective local government). Once collected, these taxes are then shared between the federal government and the provinces (under the NFC Award) and between the provinces and local governments (under the PFC Award), based on pre-determined shares - for predictability of transfers.

The vertical, structural imbalance between the centralisation of revenue raising and borrowing powers and the assignment of relatively greater expenditure responsibilities to lower level governments is part and parcel of the centripetal features of the Pakistani style of federalism. Given this vertical imbalance, transfers inevitably must play a key role in achieving horizontal equity across provinces and local governments.

Under the existing constitutional and legal frameworks that endow powers to impose taxes, the bulk of the funds intended for local governments come from the provincial pool. One question going forward would be which taxes should they be empowered to levy directly (for example property tax and on transfers of property) or say by piggy backing on provincial tax bases?

For the determination of the PFC Award what could be the possible criteria and weights to be attached to each criterion? The possible criteria could include

population, a backwardness index (say by employing ranking based on health, literacy, education, access to drinking water, employment, infrastructural deficiency and tax effort) using the Multiple Indicator Cluster Survey. A rational horizontal distribution would adopt population as a dominant criterion followed by area (since there is a minimum unit cost for producing a certain standard of service), tax effort and some indicators of backwardness.

The next question would be if they can be protected from the negative impact of the fiscal imprudence of a provincial government? And whether their own efforts at resource mobilisation should be more vigorous to cover any shortfalls. And to this end, and for reducing the vertical gap, should agricultural income tax and property tax be devolved and supplemented by conditional grants for local action on provincial priorities? And then beyond transfers under the PFC should there be provisions for grants and awards for local governments performing well based on the results of surveys like MICS or a Citizen Report Card; and/or linked to agreed outputs/outcomes?

Finally, should they be allowed to take on external obligations in foreign currencies? And if they are able to borrow domestically on the strength of their cash flows, should these liabilities be allowed to be covered by provincial or sovereign guarantees or in their formative years be allowed to offer assets as collateral?

The discussion above has attempted to highlight the structural, governance and systemic characteristics that require clarity and, for illustrative purposes, proposes some policy actions and instruments to enhance the predictability and robustness of revenue sources and possible incentives for encouraging performance of local governments aimed at achieving the objectives associated with devolution.

However, in view of the centripetal features of our structures and systems of governance it is not that obvious how a predatory state with its bloated size and entitlement culture, particularly in a constrained environment of a sluggishly growing economy, would willingly share these extractive powers with other agencies and power centres.

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POWER TO THE PROVINCES: DEVOLUTION OF POWER IN PAKISTAN'S ENERGY SECTOR

Khalid Waleed

INTRODUCTION

To effectively handle the needs, wants, and complaints of regular people, there must be access to precise, up-to-date information and quick decision-making. Achieving this requires local government entities with both financial and administrative capacity. Effective governance depends heavily on the devolution of power, including delegation, localisation and decentralisation. This essay will be about delegating authority to local government entities in the power sector, proposing a set of measures that can lead to a more responsive and sustainable energy landscape in Pakistan.

DEVOLUTION OF POWER IN THE ENERGY SECTOR

Pakistan's energy sector confronts a number of difficulties, including poor infrastructure and ineffective service delivery. The central government has a heavy administrative burden in this sector, which hinders its ability to efficiently meet local energy needs. To overcome these obstacles and realise the potential benefits of decentralisation, power must be transferred to local government entities.

In the energy industry, delegation refers to the transfer

of power and duty to regional authorities. Thus, decision-making procedures can be adapted to local energy requirements and goals, enhancing responsiveness. Local governments can better handle the distinctive energy issues that their communities face by being given the information they need to make wise decisions. For instance, local government bodies can collaborate with local stakeholders, such as community leaders and energy experts, to develop targeted strategies for energy generation, distribution, and conservation. This can be achieved through effective local governments, private sector and distributed generation coupled with community grids.

Localisation in the energy sector recognizes the importance of adapting policies and services to local contexts. Different regions within Pakistan have distinct energy requirements and opportunities. Localisation allows local government bodies to develop region-specific solutions, addressing energy challenges and leveraging local resources. For example, in regions abundant with solar or wind resources, local governments can promote and incentivise the adoption of renewable energy technologies. One way to do so would be to have households in rural and urban areas rank fuels in terms of relative availability and affordability.

Decentralisation in the energy sector redistributes power and decision-making authority to lower levels of government. By bringing decision-making closer to the people, decentralisation fosters participatory democracy and local accountability. It allows citizens to have a direct say in matters affecting their daily lives, including energy-related issues. Furthermore, decentralisation empowers local governments with greater financial autonomy, ensuring resources are allocated according to local energy priorities. Local government bodies can leverage this autonomy to invest in localised energy infrastructure, prioritise energy access for underserved communities, and promote energy efficiency programs tailored to local needs. Formulation of Sindh Electric Power Regulatory Authority (SEPR) is a recent example of decentralization.

Successful examples of devolution in the energy sector from around the world provide valuable insights. Countries that have implemented decentralised energy governance models offer lessons for Pakistan. For instance, Germany's Energiewende (energy transition) initiative has empowered local communities and local governments to lead renewable energy projects, resulting in increased renewable energy generation and local economic development. Leveraging the potential advantages of devolution in the energy sector can be accomplished by studying these cases and applying them to Pakistan's situation. Additionally, the formation of the Sindh Electric Power Regulatory Authority (SEPR) was recently approved by the Sindh government. A crucial step towards the devolution of power in the energy sector has been made with the Sindh cabinet's adoption of a draught law for the creation of the Sindh Electric Power Regulatory Authority (SEPR). To ensure its successful execution and satisfy the province's energy requirements, a number of opportunities and difficulties must be taken into account.

1. Enhanced Provincial Autonomy: SEPR grants Sindh greater control over its electricity regulatory functions, enabling tailored policies and regulations to prioritise indigenous energy resources like Thar coal, wind, and solar power. This contributes to energy security and economic growth.

2. Focus on Energy Poverty: SEPR allows Sindh to directly address energy poverty by formulating policies for affordable energy access. Localised decision-making harnesses renewable energy potential and ensures energy equity across communities.

3. Resolving Interprovincial Issues: SEPR serves as a platform for resolving interprovincial coordination challenges in the power sector, facilitating collaboration and resource-sharing among provinces.

This benefits energy producer provinces and consumer provinces like Punjab.

4. Aligning Provincial and National Energy Goals: SEPR's relationship with NEPR and CPPA-G needs clarification to ensure coordination and coherence between provincial and federal energy policies. Clear guidelines promote a unified approach to energy planning and development.

5. Building Technical Capacity: SEPR requires technical expertise and capacity building. Sindh should invest in training programs and collaborations with relevant institutions. SEPR should engage industry experts, stakeholders, and consumer representatives for balanced decision-making.

6. Overcoming Financial Challenges: Sindh should develop mechanisms to ensure adequate funding for SEPR's operations while maintaining transparency and accountability. Balancing financial autonomy with equitable resource allocation promotes balanced energy development.

In Sindh's energy sector, the creation of SEPR is a key step towards devolution of power. It gives the province a chance to tackle its particular energy problems, support renewable energy sources, and achieve energy equity. To ensure coherence and prevent fragmentation, good coordination between SEPR, NEPR, and other federal authorities is essential. Realising the full benefits of devolution in Sindh's energy sector would depend on overcoming technical, financial, and interprovincial cooperation obstacles. The development of Sindh's economy can be accelerated by SEPR by carefully planning, collaborating, and putting an emphasis on long-term sustainable solutions.

ADVANTAGES AND CHALLENGES

Numerous benefits come with the devolution of power in the energy industry, including the chance for local decision-making and responsiveness. Given that local government entities have a thorough awareness of the region's energy requirements and resources, decentralisation makes it possible for more effective energy planning and implementation. They can efficiently manage energy resources, lower transmission and distribution losses, and improve the dependability of the energy supply by developing and putting into place tailored policies and programmes.

Devolution additionally encourages the use of renewable energy on a local level, facilitating sustainable energy practises. Local governments are in a good position to recognise and take use of possible sources

of renewable energy, such as solar, wind, hydro, or biomass, that are unique to a certain region. These authorities may lessen Pakistan's dependency on fossil fuels, cut greenhouse gas emissions, and help Pakistan meet its climate change obligations by encouraging renewable energy projects.

Devolution also promotes better energy infrastructure planning, which takes into account the opportunities and problems unique to each region. Local government authorities can evaluate and prioritise infrastructure needs through a localised strategy, guaranteeing fair access to energy for all areas. Increased electrification rates in rural and underserved areas are encouraged by this focused investment in transmission and distribution networks and better energy saving measures.

Devolution's implementation does, however, present several difficulties that must be overcome. To guarantee coherence and avoid fragmentation, it is crucial to strike a balance between central control and local autonomy. A coordinated national energy policy framework should direct local governments' decision-making to prevent inconsistencies and maintain a united approach towards national energy goals, even while local governments need flexibility in handling local energy concerns.

It becomes essential to increase the competence and technical proficiency of local government bodies in order to facilitate efficient decision-making. Local politicians and administrators should receive training and assistance to help them understand complicated energy systems, create appropriate energy strategies, and manage energy projects. Collaborations with academic institutions, research labs, and overseas partners can help capacity-building efforts.

Furthermore, preventing regional imbalances requires finding a balance between fiscal autonomy and the distribution of financial resources. While it is appropriate for local governments to have the power to distribute funds according to regional priorities, processes must be in place to guarantee openness, responsibility, and equity in the allocation of financial resources. This strategy supports balanced energy growth across the nation and prevents resource concentration in particular areas.

RECOMMENDATIONS AND CONCLUSION

Stakeholder involvement and participatory methods are crucial for the effective implementation of devolution in Pakistan's energy industry. Effective energy

policies must be developed and put into action with the active participation of local communities, civil society organisations, businesses, and energy professionals. Transparency, inclusion, and ownership in the decision-making process can be encouraged by routine consultations, public hearings, and feedback channels. In order to improve the knowledge and abilities of local government officials and administrators in the energy sector, capacity-building programmes should also be implemented. To support learning, the sharing of best practises, and innovation, this can include workshops, training programmes, and knowledge-sharing platforms.

Devolution in the energy sector has major long-term advantages. In addition to advancing sustainable energy practises, it also strengthens democratic procedures and gives local communities more autonomy. Devolution lays the way for a more robust and responsive energy landscape in Pakistan by addressing local energy demands. It creates the groundwork for inclusive economic growth, environmental sustainability, and an improvement in everyone's standard of living.

In conclusion, Pakistan's energy industry presents enormous potential for successful administration through the devolution of authority. Delegation, localisation, and decentralisation are strategies Pakistan can adopt to reap the rewards of customised decision-making, address regional energy issues, and give local populations more control over their energy future. It is a critical step in creating a nation with a more egalitarian and sustainable energy industry. Delegating power to the provinces can help Pakistan as it continues its energy transition journey.

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Granting Autonomy to Districts: A Proposal in Brief



Fida Muhammad Khan

Decentralisation and devolution of power to the lowest administrative units should be the core objective of our reform agenda. While this has become a major part of modern development discourse today, decentralised governance is not some alien concept to the subcontinent. History bears witness that India had a working governance structure since ancient times and one of the key characteristics of that system was its decentralised nature. The tradition continued during the Muslim rule as well but after the British colonization, things changed and a strong and visible state was given birth to – one that intervened in all spheres of life and exercised tight central control. When the subcontinent was decolonised and partitioned into two countries, the ideal change should have been a reversion to the decentralised systems that had existed in the region thousands of years prior to the colonization. This, of course, did not happen and the state with its tight central control, which it had inherited from only two hundred years of colonial rule, persisted. It is only wise and logical to state that most of Pakistan's problems have become intense due to a lack of decentralisation in political and economic spheres. Decentralising and devolving at the micro level, i.e. the districts, could solve major governance issues; particularly in terms of service delivery and service provisions.

AN OVERVIEW OF GOVERNANCE STRUCTURES IN ANCIENT INDIA

In ancient India there were kingdoms, and it wasn't until the Mauryas Dynasty that modern day Baharat was unified under a single kingdom followed by the Gupta Dynasty. Ashoka organised an efficient public administration system wherein policing was a state duty to be performed by state officials. Ashoka's Baharat was a classic example of a 'devolved state structure' although not 'devolved power' as is understood today. The Baharat of Ashoka was divided into provinces and the provinces were composed of small administrative units. These smaller administrative units were known as janpadas. The janpada had a public official looking after its administration.

The main job of the janpada administration was the maintenance of peace and order. This job description came from Ashoka's edicts directly.

The Gupta Dynasty was not the immediate successor of the Maurya Dynasty. However, since the Gupta Dynasty like the Maurya was one of great social, cultural, scientific, economics and political impact it is being discussed here.

The Gupta Dynasty is said to have existed from 320 CE to 550 CE. The Gupta, just like the Maurya, divided the empire into smaller administrative units or provinces. These smaller units were called bhuktis. An administrator was appointed by the state to govern the province and was called the bhuktyuktas. The bhukti is what we would call province in today's world.

However, just like the Maurya before them, the Gupta too, divided the province into much smaller units known as the visayas. These were smaller administrative units within the bhuktis, or provinces, and were governed by visayapatis.

The Muslim period was a bit different in the sense that the sultanate of India was governed by Sharia Law but it retained an aspect of decentralisation by creating revenue courts, criminal courts, and appellate courts at the provincial (suba), district (sarkar) and sub district (parganas) levels. The administrator of the sub unit also had considerable autonomy.

Sudipta Kaviraj in his masterpiece, 'The Enchantment of the State,' writes that whether it was Hindu or Muslim, the state it did not intervene in the personal affairs of people. In both these periods, religious beliefs and dogmas played an important role where certain things were taken as given and hence the populace also did not interfere in what they considered as divine decrees. But the point here is that Bharat had experienced a proper governance structure under different regimes and decentralisation was a characteristic of all of them. Kaviraj writes that this changed with the advent of the British.

The British brought with them a very different form of state. The Indians had never experienced such a visible and interventionist state. Institutional economics literature does provide one decent explanation as to the rationale of the highly centralised state under the British raj. As they held the political power, so the resultant insertional and governance structure reflected their preferences.

The colonisers weren't here to stay, their main purpose was to extract resources and economic benefits as pointed out the works of Ayesha Jalal and Sugata Bose, Acemoglu, Robinson and Simon Johnson. They introduced a highly extractive system that led to riches of the British Raj at the expense of India. And they were able to that with the help of a highly centralised bureaucracy and governance structure. If the story had ended there it would have been good but when the colonisers left, the extractive systems continued and have become even more extractive as time has passed.

THE PROPOSED SYSTEM OF DISTRICT AUTONOMY

The 18th amendment is often quoted as a step towards decentralisation and devolution of power. While promising some provincial autonomy, however, it cannot be seen as devolution per se. If we really intend to have decartelised governance structures that will deliver results, we need to look at Indian history. The proposed structure should be democratic and promise freedom to administrative units. In order for the system

to work we first need to decide what sort of administrative divisions should be there.

It is proposed that each district should have a district wise election based on universal franchise. And the district council should be an elected body. The council shall decide on what is needed by the district, manage the revenue and expenses and serve a 5 to 7 year term. The prerequisite for this system to work is the abolishing of the office of Deputy Commissioner of the district, with all its powers transferred to the district council and exercised by the Council Chairman/District Administrator.

The district should have its own policing organisation answerable to the district council. The maintenance of law and order in the district should be the responsibility of the district council. The Chief of Police of the district can also be appointed following an election. This will truly lead to a decentralised and devolved power structure and as would positively impact economic growth as it rolls out on a mass level due to reduced burden on the center.

The district council should also have the freedom to grant incentives for industry and attracting investment from the rest of the country. It should be free to award contracts and have its own revenue generation stream. This would be devolution of power in the true sense. The centre should only worry about foreign affairs, currency and defence.

The reason why this system will provide far better results than the current district administration system wherein the Deputy Commissioner is head of the district and is appointed by the central government. Within this modality, the Deputy Commissioner is not the client of the people but rather the central government. Therefore, he or she has no stakes in the actual happenings of the districts. Mostly it's the completion of tenure and enjoying perks without being answerable to the people. When people cast votes, however, they become the patron and the electable becomes the client. The client has to look after the welfare of the patron due to the repetitive game involved. The proposed system in this piece makes the district council directly answerable to the people, thus making him/her much more likely to ensure good performance due to the prospects (incentive) of returning to power for subsequent terms should results be observed. It's time we cut ties with the colonial set-up and strive towards a more democratic and free society. As I see it, it's the logical way forward.

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Devolution of Power in Pakistan: CHALLENGES AND OPPORTUNITIES FOR WOMEN'S PARTICIPATION IN LOCAL GOVERNANCE

Maria Mansab



Decentralisation may make it easier for Pakistan to achieve the Sustainable Development Goals (SDGs). There is no straightforward answer to this question. This is largely due to the necessity of political will and institutional structures for attaining the SDGs. If the political will exists, there is no reason to believe that centralised ministries dedicated to eradicating poverty and inequality across the nation and making quality services accessible to all cannot do so through nationwide administrative networks. Even services typically viewed as ideal candidates for localised delivery, such as quality healthcare (Goal 3), education (Goal 4), and access to pure water and sanitation (Goal 6), require strong central policies and direction for effective local implementation. In addition, the same holds for the other Sustainable Development Goals concerning climate change, infrastructure development, and economic growth. However, for specific objectives, decentralisation may be more advantageous. Reduction of inequality (Objective 10) and gender inequality in particular (Goal 5) as well as the development of stronger, more resilient communities are among these. Decentralised and localised governance may be more advantageous for institutions that are inclusive and accountable (Goal 16). However, we typically view decentralisation as a method for improving the mechanisms of service delivery, as opposed to a method for reforming local governance to reduce spatial and group inequality and strengthening of representation. In this essay, I investigate the devolution process in Pakistan, as well as the issues and barriers to women's participation in local governance that inhibit gender equality in Pakistan.

HISTORY OF DEVOLUTION OF POWER AND WOMEN PARTICIPATION IN LOCAL GOVERNMENT SYSTEM:

The annals of local administration in Pakistan date back to 1959. Before 2013, only military regimes established municipal government systems, not democratically elected governments. It is encouraging that local governments have finally become a part of the narrative of civilian regimes, but the 2013 system was inadequately implemented and did not empower local governments to affect change.

In Pakistan's constitutional history, the Devolution of Power Plan (DOPP) of 2000 introduced remarkable political representation and advancement for women. Under this proposed constitution, the government held elections in 2001 and 2005. An extraordinary number of women participated in these elections and initiated inclusive campaigns throughout Pakistan.

The discussion of women dominated the election debates. Women were able to obtain a substantial number of reserved seats. Implementation of women's participation in local administrations is one indicator of women's empowerment. Even though the majority of DOPP 2000's content is devoted to conventional politics, several issues have become apparent. Despite having 33 percent representation at all levels of district governance, including union, tehsil, and district councils, they encountered problems.

DOPP 2000 was an effort to enable women to participate in the political process, but their absence in policy-making, financial management, and other socio-political matters has raised questions about the practice of women's participation. DOPP 2000 created positions for women in the local government system that had never existed before. The representation of women has never exceeded 10 percent. For the first time in history, women hold 33 percent of district governance positions at all levels. Through this legislative proposal, women participated in local government elections in 2001 and 2005 and obtained the majority of reserved seats. In the order of Punjab (1), Sindh (2), Baluchistan (3), and NWFP (4), Punjab ranks first with 97.7% and 99.4% of the vote in the 2001 and 2005 elections, respectively.¹ Women began to acknowledge their sociopolitical standing and rights following the implementation of DOPP 2000. Using local politics as a conduit, women infiltrated national politics. The participation of poor and middle-class women in municipal politics paved the way for their involvement in provincial and national politics.

CHALLENGES TO GREATER GENDER EQUALITY

Our society is patriarchal, and women's participation in the political process is not completely supported. More than fifty percent of the country's population is female, but they are denied basic political rights. Article 25(2) of the Constitution ensures that women have the same rights as men and establishes the corresponding legislative parameters. Legislation is one of the primary concerns in the issue at hand, which has intersected with several other sociopolitical obstacles.

However, under the current decentralised system, the proportion of reserved seats for women differs by province. The indirect procedures used to allocate these seats are also problematic. Women councilors continue to rely on the nomination of elected representatives (union council chairmen and municipal committee members) to secure reserved seats, as very few of them have been able to compete for general seats directly.²

Therefore, despite the inability of civil society organisations to assist qualified women in directly competing for local office, they have continued to encourage women to vote. However, the scope of these innovations remains limited, and a larger patriarchal structure continues to impede women's strategic advancement opportunities. DOPP 2000 offered women an outstanding opportunity to participate in local politics, local body elections, and local government administration, but they were unaware of or misinformed about the plan. It was a political dilemma that inhibited the advancement of women. If women were aware of the strategy, their involvement could be fruitful.

Men continued to dominate local council labor, policy formulation, and implementation – leading to the exclusion of women from policymaking. Due to a lack of capacity development, women were unable to take part in official local council activities. Local development budgets approved by provincial or district administrations did not allocate any funds to women councilors or nazims. They were unable to adequately feed the local population. 33% of district assembly seats were reserved for women, but all council seats were reserved for men, preventing women from playing effective roles in district governments.³ Due to objections expressed by religious and tribal leaders, participation in local politics and elections was difficult for women. Citizen community councils and public safety commissions were essential district-level public institutions for implementing development programs and resolving public complaints, respectively, but women were not permitted to participate. Women cannot directly participate in local politics due to the implementation of indirect elections for allocated seats for laborers, minorities, and women.

WAY FORWARD FOR INCLUSIVE GENDER APPROACH

Incorporating a 'zipped' closed-list proportional representation system for electing councilors at upper levels of local government will further the goals of gender equality and the representation of women.⁴ This public relations mechanism will fill each closed-list alternate seat with a woman. This will ensure quotas while positioning women on the same ballot as other candidates, granting them equal access to party resources and other support mechanisms. This has the potential to have an even greater impact as the transition from reserved seating to general seating occurs.

Nonetheless, several revisions are required immediately to make devolution more meaningful and durable: Moreover, debt sustainability assessments (DSA) can be revamped by incorporating the assessments of gender equality, human rights, and climate related commitments. These assessments would broaden the narrow economic considerations of only incorporating the country's ability to pay without accounting for how debt servicing is undermining the ability to meet the needs of international human rights obligations.

Importantly, a consolidated global consensus can help restore transparency via debt audits in order to generate a more publicly accessible registry of debt data that can improve the methodology of debt sustainability analyses. It can also identify, through impact assessments, the trade-offs between meeting on the one hand, debt obligations, and on the other, national objectives such as economic and fiscal justice, gender equity, human rights, and climate mitigation, and other interests directly relevant to ordinary citizens.

- Establish a federal oversight agency for devolution.
- Ensure that marginalised groups occupy the seats designated for them.
- Ensure that local governments have the financial resources necessary to serve their constituents.
- Enable local governments to levy taxes and collect revenues.
- Establish mechanisms to ensure accountability.
- Permit local governments to participate actively in initiatives affecting them.
- Address the overwhelming demand for better-trained local officials by implementing initiatives aimed at enhancing capacity.
- Foster an atmosphere conducive to citizen participation and grassroots mobilisation

CONCLUSION:

Local governments must be conceptualised not only as the structure of the government but also as a governance ethos. To institutionalise a culture of inclusive, representative, and responsive governance, local government systems must exist for an extended period. This endurance has been the greatest obstacle for the local administration in Pakistan. Even though the Devolution of Power Plan contains numerous flaws, it has inspired optimism and enthusiasm in the minds and hearts of women around the world. In the past, there were issues with financial decentralisation, an overbearing misunderstanding of boundaries, and political interference; the strategy was effective in many regions of the nation. Despite several positive developments, a large number of issues and obstacles concerning women's participation were anticipated. To promote women's participation in local politics, these concerns must be addressed.

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³Muhammad, Sher & Feroze, Sajida & Jabeen, Humaira & Awan, Humaira. (2023). Women Empowerment and Local Government Reforms in Pakistan: A Study of Devolution of Power Plan. Vol 8 (3). 501-509. https://www.researchgate.net/publication/368605641_Women_Empowerment_and_Local_Government_Reforms_in_Pakistan_A_Study_of_Devolution_of_Power_Plan

⁴Khan Mohmand, (2021). Goals of Equality and Representation: Does Decentralization Work? UNDP. file:///C:/Users/LENOVO/Downloads/47Ed82326f4e8f550b71a44b897278863bc968e0327fa1b63fcaa4f15131c429.pdf

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CURRENT AFFAIRS & INTERNATIONAL RELATIONŞ





DISAPPEARED BUT NEVER FORGOTTEN

Imaan Zainab Mazari-Hazir

General Iberico Saint-Jean, the governor of Buenos Aires at the time of the junta, is quoted as saying: “first we will kill the subversives; then we will kill their collaborators; then... their sympathisers; then... those who remain indifferent; and finally we will kill the timid.” Pakistan’s military establishment, it would appear, had also thought along the same lines. So first, it killed those in the ‘peripheries’ who resisted injustices; then it killed those in the major cities who amplified tales of horror from the ‘peripheries’; and now finally, it has decided to kill even those who did not speak till the acts of tyranny reached their homes.

Understanding the origin of enforced disappearances is essential to understanding the nature of the State of Pakistan. For this purpose, we must go back in time to 7 December 1941, when Adolf Hitler issued the Nacht und Nebel Erlass (Night and Fog Decree), the purpose of which was to forcibly disappear persons in Nazi Occupied Territories who were deemed to be a threat to German security. It is estimated that around 7000 people were subjected to these enforced disappearances and likely executions.

This practice has subsequently been used in various parts of the globe from Argentina to the Philippines. Between 1973 and 1990, it is estimated that over 3,000 people had been forcibly disappeared and/or extra judicially executed in Chile during the brutal military regime. Similarly, in 1984, Argentina’s Comisión Nacional sobre la Desaparición de Personas (CONADEP) reported 8961 deaths and disappearances in the period from 1976 to 1977 – again, under brutal military rule. For context, Pakistan’s Commission of Inquiry on Enforced Disappearances (COIED) reported 9294 cases as per its Monthly Progress Report dated 1 February 2023.

The key difference between places like Argentina and Chile, on the one hand, and Pakistan, on the other is the refusal (by the latter) to take any steps to end impunity. While the problem is far from resolved in Chile, there have been around 1134 trials that have led to at least 2500 convictions of those involved in the heinous crime. In Argentina, several former soldiers have been tried and convicted for their involvement in the ‘dirty war’. In Pakistan, however, till date, not a

single perpetrator behind enforced disappearances has been tried, let alone convicted or held accountable in any way for involvement in the practice.

Perhaps part of the reason for the unending culture of impunity in Pakistan is the complicity of all - the executive, the constitutional courts, law enforcement and intelligence agencies - in the practice. As a result of this complicity in the practice at every level, the families of the disappeared are left entirely at the mercy of their loved ones' abductors. This cruel and complex nature of enforced disappearances has been termed by the Islamabad High Court (in paragraph 20 of the Mahera Sajid Judgment) "an unimaginable paradox when the State and its functionaries assume the role of abductors."

Interestingly, in Argentina, amnesty laws were introduced that bolstered this culture of impunity, however, this was brought to an end by the Inter American Court of Human Rights in 1992 - to a large extent - in its Judgment which held that such amnesties are in contravention of the State's obligation to ensure access to justice for victims. In Pakistan, this right to seek justice is often denied by the Constitutional Courts themselves.

Such is the case of Feroz Baloch, a Baloch student who was disappeared while on his way to the library at Arid Agriculture University Rawalpindi on 11 May 2022. Feroz's cousin, Rahim Dad, filed a habeas corpus petition before the Lahore High Court Rawalpindi Bench, which was dismissed vide order dated 9 June 2022, on the ground that "the matter is being heard" by the COIED.

On the COIED, the Islamabad High Court, in order dated 25 May 2022 passed in Mudassar Naaru and other connected missing persons cases, has already observed that the "Commission, rather than achieving its object, has become a forum which contributes towards making the agony and pain of the victims more profound." The Islamabad High Court has found that the COIED's "proceedings seem to have become a mere formality and its adversarial nature undermines and violates the dignity of the loved ones. Its role is no more than a bureaucratic post office." Yet, several Constitutional Courts would rather see families suffer in the COIED rather than exercise power vested in them to enforce fundamental rights by disbanding this sham Commission, which in fact fuels the culture of impunity.

So effectively, families of the disappeared are denied their right to have their legitimate grievances redressed. These families - the ones who are able to make it to the Constitutional Courts - are still better off than

most. Most family members wait for months on end for registration of a First Information Report. Thousands of others appear before the COIED, hearing after hearing, only to partake in proceedings that are a mere eyewash.

"When I went to the Commission, I was told I was doing a 'drama' and that my son had gone somewhere voluntarily." These are the words of Buss Khatoon, the mother of disappeared Baloch activist, Rashid Hussain, whose fate and whereabouts remain unknown till date. Rashid was detained by the United Arab Emirati Security Forces on the E88 Highway while travelling from Sharjah to Dubai City on 26 December 2018. As per the Certificate for Entry or Exit (Last Travel), issued by the UAE's Federal Authority for Identity and Citizenship, Rashid exited Al Bateen Airport for Naushki on 22 June 2019. No carrier or flight details are mentioned on the Certificate, which indicates that Rashid was likely brought back to Pakistan via Government or military aircraft, or special chartered flight.

After several years, the Ministry of Foreign Affairs finally admitted before the Islamabad High Court, on 16 February 2023, that Rashid was extradited to Pakistan. No Government functionary is willing or able to disclose to the Court where Rashid is being detained at present, or what condition he is in. After each hearing, I have to explain to the family members why, despite this admission, no action has been taken by the Constitutional Courts to protect Rashid and his family's fundamental rights.

Such is the story and suffering of Rahat ul Nissa, the mother of disappeared journalist, Mudassar Naaru, who was abducted on 20 August 2018 while on vacation in Kaghan with his wife, Sadaf, and then six-month old son, Sachal. Sadaf ran from the COIED to the courts to the press clubs but the toll of this unending agony was more than she could bear. She passed away in May 2021, leaving behind Sachal, who is also now, like his mother, running from courts to press clubs with his dad.

There are also horror stories of several family members disappeared from one home, one after the other. One such heartbreaking story is that of Sultan Mehmood's two brothers - Zahid Ameen and Sadiq Ameen. Zahid was disappeared on 7 November 2014 and despite issuance of his production order to the Inter Services Intelligence in 2021, the same has not been complied with. Sadiq, who was pursuing Zahid's case before the Commission and the Constitutional Courts, was then subjected to an enforced disappearance on 10 March 2021. Their father - an elderly man who fought till his last breath for his sons'.

When Zahid and Sadiq's family members approached the Constitutional Court, as has now become a routine (but absurd) practice there when approached in writ jurisdiction, the Lahore High Court (Rawalpindi Bench) cited the proceedings in the COIED as a basis to close the case before it. And so we go around in circles: no one has the forcibly disappeared and the State cannot seem to find them but anyone even mistakenly in the vicinity of General Headquarters on 9 May, can be tracked, traced and arrested within hours.

While the Commission and the Courts may continue with their apathetic approach towards families of the disappeared, the growing resistance to the heinous practice within civil society renews hope in the power of the people. The callousness of the State has brought together oppressed communities to struggle together against the phenomenon of enforced disappearances.

One recent illustration of that solidarity, which serves as a source of great inspiration, is the visit by leaders of the Pashtun Tahaffuz Movement to the Voice for Baloch Missing Persons sit-in camp, which has been ongoing for over 5000 days. Against every act of ruthless oppression, the most vulnerable continue to resist peacefully. And so we reiterate our commitment that though thousands may be forcibly disappeared, they will never be forgotten. As disappeared engineer, Sajid Mehmood's daughter, Aymun Sajid, eloquently puts it: both the disappeared and the families of the disappeared are "refusing to disappear."

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TEXTILES LOSING THE PLOT

Shahid Sattar & Amna Urooj

Pakistan's policy makers have been consistently formulating excellent policies to address challenges in the industrial sector of the country, but these have been fruitless due to non-continuity and lack of implementation (Khan 2016). While some policies may yield short-term benefits, but to gain traction, they often lack sustainability in the long term. To navigate the complex and rapidly changing landscape, the textile industry can be viewed through the 5Fs framework. This framework enables companies to analyse the entire value chain, from Farm to Fibre to Factory to Fashion to Foreign stages, and identify areas of strength and weakness to stay competitive. It is particularly relevant in a market where consumer preferences, technology advancements, and sustainability considerations are paramount. We will examine this article through the lens of the 5Fs framework to identify issues and problems within the sector and enable the formulation of policies for mitigating the issues so identified.

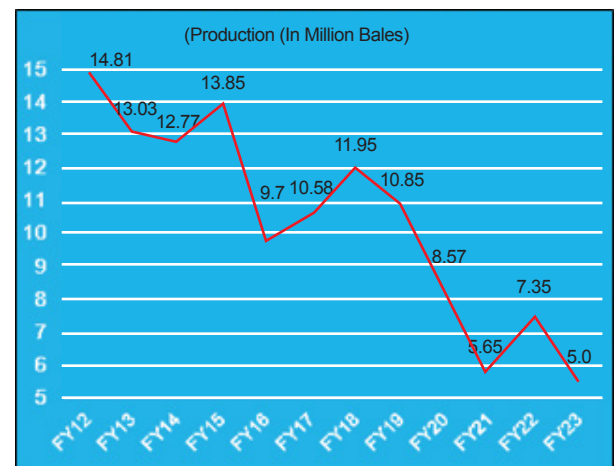
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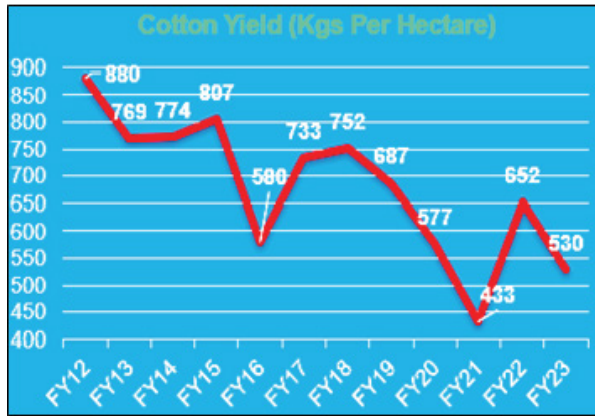
Lack of fibre (cotton and PSF, i.e. polyester staple fibre) have reduced or closed operations of many factories as both these fibres were to be imported in large quantity

in an environment where L/C's were not being opened or honoured. This brought to focus the extremely urgent need for establishing a reliable local supply of cotton and PSF in order to avoid such situations in the future.

Pakistan's cotton farming, which is crucial to the textile

industry, is facing daunting challenges due to climate change, rising temperatures, unpredictable rainfall, and water scarcity – which are resulting in lower crop yields and diminished quality. As a consequence, cotton production and productivity has reached a 40-year low. This situation not only jeopardises the livelihoods of farmers but also threatens the sustainability and profitability of the entire textile industry.





Country	Yield (Kgs per Hectares)
Brazil	1660
Uzbekistan / Turkmenistan	1100-1200
China	1826
Pakistan	530
Turkey	1597
United States	1018

Source: APTMA

Pakistan's low cotton yield and production costs the country approximately USD 4.0 billion annually, along with a much higher impact on GDP. Imports of cotton worth USD 5.0 billion in the past three years highlight the need for increased domestic production to reduce reliance on imports and lower the cost of edible oil imports as an important by-product of cotton is oilseed.

Despite challenges, some progressive cotton farmers achieve a yield of 1500 kg/hectares, emphasising the potential for improvement in productivity. This highlights the potential gains that can be achieved through better seed and crop management. Support for edible oil crops and addressing productivity issues are crucial for the cotton industry.

To ensure the long-term sustainability of the textile industry, Pakistan must prioritise the adoption of suitable seed varieties for the sector. By doing so, the country can secure the future of its textile industry and mitigate the adverse impact of climate change on cotton farming.

FIBRE

Ensuring the availability of adequate raw materials/fibre for Pakistan's textile production is crucial for sustained growth, requiring measures such as promoting domestic cultivation, exploring alternative sources, and fostering international collaborations. Textile mills in Pakistan are instrumental in the cotton-to-fibre transformation, supporting high-quality textile production. To sustain growth and expand market opportuni-

ties, the industry needs to tap into the global synthetic textiles market by aggressively entering the industry and accessing raw materials at competitive prices.

However, challenges such as high protection rates and tariff structures hinder Pakistan's progress in the synthetic textiles sector. The government may implement trade facilitation measures by abolishing import duties on PSF, enabling the industry to diversify and thrive in international markets.

In terms of sustainability, some textile mills in Pakistan are taking proactive steps to promote eco-friendly practices. They are introducing innovative fabric ranges, such as Radianza fibre, which employs environmentally friendly dyeing processes to reduce water consumption and pollution. Additionally, larger companies are championing recycling and reuse by offering recycled textile products like "Premium," "Indigo," and "Blue," which are made from post-industrial, pre-consumer, and post-consumer waste, respectively. By reducing the carbon footprint through these recycled products and developing biodegradable polyester, the textile industry in Pakistan is contributing to a more sustainable and environmentally conscious future. However, an increased R&D in this area is required which definitely requires an increased budget.

Unconventional materials such as Hemp and Banana leaves are increasingly being used in textiles due to their sustainability and eco-friendliness. These natural materials offer durability, breathability, and biodegradability, making them attractive alternatives to traditional textiles. Pakistan should also invest in such innovative yet sustainable fibres.

FACTORY

Investing in human capital is vital for the industry's sustainability. Ongoing training and education for textile workers and engineers are essential to stay updated on technology and production advancements. The industry also offers vocational training to attract young individuals into the field.

Efforts to modernise textile factories and enhance working conditions in Pakistan should be the top most priority. The government needs to focus on policies for energy efficiency and cost reduction, while private investors may invest in advanced machinery and technology to improve production efficiency and quality.

Enforcement of labour laws, strengthening of labour inspections, and protection of workers' rights is a prerequisite for an exporting industry. Effective implementation of the 27 labour and human rights conventions is crucial as Pakistan's current GSP plus status will be reviewed in December 2023. Factory owners should commit to reform and implement the requisite conventions. Revisions to labour laws, impartial investigations, and increased resources for inspections are needed. Transparency, collective initiatives, and grievance redressal procedures should be implemented by companies to improve the situation.

The infusion of approximately USD 5 billion in the textile sector served the objective of enhancing textile exports to reach USD 25 billion by 2025 through the establishment of 100 new textile units, accompanied by significant upgrades in value addition to meet market demands. Regrettably, so far, the investment has failed to achieve its potential due to various factors. These factors include difficulties in opening letters of credit (L/Cs), challenges related to the supply and pricing of energy (both gas and electricity), the high policy rate (currently standing at 21%), liquidity crises, complications regarding cotton imports and the release of shipments, obstacles concerning the refund of sales tax, and issues associated with the markup rates of the Long-term Financing Facility (LTFF). To ensure the success of such policies and investments, it is crucial to adopt a comprehensive approach that encompasses the enhancement of capacity in all relevant areas, enabling the policy to yield fruitful results.

FASHION

Pakistan's rich culture is rooted in the traditions and history of its people, showcasing a unique way of life, ideas, and ethics. The clothing in Pakistan, influenced by its diverse regions like Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Kashmir, and Gilgit Baltistan, reflects the cultural heritage of these areas. The clothing culture and fashion is a significant aspect that distinguishes each regional culture, incorporating elements of climate, lifestyle, and distinctive styles that contribute to their distinct identity. Despite this beautiful diversity, Pakistan's fashion industry has not exploited its true potential as of yet. The fashion products and apparel industry are expected to exhibit dynamism and diversity. Despite challenges, the country's textile industry holds significant potential to become a global fashion player. Abundant raw materials and a skilled workforce position Pakistan as a major producer and exporter of high-quality fashion products.

Investment in design and marketing is crucial to enhance the visibility and appeal of Pakistani fashion products. To address the perception of mediocre quality associated with products from Pakistan, manufacturers and designers should concentrate on creating innovative designs that appeal to a specific niche. This niche refers to a targeted segment of consumers who are willing to pay a higher price for textile products from Pakistan when they perceive added value, such as superior craftsmanship, unique aesthetics, or exclusive materials. By catering to this discerning niche market abroad, the textile industry in Pakistan can achieve higher profitability and overcome negative perceptions. Effective marketing campaigns and initiatives are necessary to promote Pakistani products successfully and maximise their market reach and impact. Pakistan's textile industry has the potential to establish a strong foothold in the Western fashion sector. To capitalise on this opportunity, immediate implementation of effective marketing campaigns is essential.

FOREIGN

With strategic investments and initiatives and sustained policy implementation, the industry can thrive. Trade barriers, such as tariffs, hinder Pakistan's textile exports. In order to align our exports with global requirements, the government must undertake a thorough policy review. This should involve negotiating free trade agreements and expanding market access to ensure that our products can effectively compete on the global stage. By doing so, we can enhance our export potential and effectively meet the demands of the international market. It is also necessary to establish Pakistan as a reliable and quality supplier. Research and development investments are crucial to meet market trends and standards.

The global market for textile fibres has witnessed a shift from cotton to synthetic fibres, particularly polyester, with Pakistan's textile industry lagging behind in this transition. The country's garment exports still predominantly rely on cotton, and the use of man-made fibres remains limited. China, India, and Southeast Asian countries dominate the production and export of synthetic textiles. While a fully integrated chemical industry is crucial for synthetic fibre production, countries like Vietnam, Bangladesh, and Cambodia import materials to excel in the global market. Unfortunately, domestic import policies and market conditions have hindered Pakistan's progress in the synthetic textiles sector, despite the potential. Removing import duties on PSF is essential to compete globally as bulk of PSF based textile manufacturers do not have access to duty free schemes for import and export. To stay competitive, the industry must prioritise enhancing productivity, efficiency, and quality.

Investing in sustainable and ethical practices across the 5Fs framework is vital for Pakistan's textile industry to compete globally. This involves adopting organic and recycled fibres, conserving water and energy in factories, ensuring fair labour practices, and minimising waste in the supply chain. Not embracing sustainable and ethical practices in Pakistan's textile industry carries severe consequences. Failing to meet evolving consumer demands may result in business loss, while exploiting workers and causing environmental harm can lead to legal and reputational repercussions for the industry.

Value addition in Pakistani textile businesses, through the shift to higher value-added products, such as finished garments and designer textiles, will enhance global market share, lead to increased revenue and establish Pakistan as a reputable hub for quality textile manufacturing.

Pakistan's textile sector must embrace change, harness innovation, and establish itself as a trusted source of textile products. By taking collective action and implementing proactive measures, the industry can secure its rightful place and unlock its true potential.

WAY FORWARD

In order to strengthen exports and empower the economy, several crucial measures need to be undertaken:

I. Strengthening the Farm stage:

- a. Promote research and development leading to usage of genetically modified seed varieties which are resistant to pests, water scarcity, have high heat tolerance etc.
- b. Implement sustainable practices in cotton farming to mitigate climate change impacts.
- c. Adopt innovative technologies like precision agriculture to improve crop yields and quality.

2. Enhancing the Fibre stage:

- a. Prioritising enhanced R&D for identification of better quality and different raw materials.
- b. Duty exemptions and duty drawbacks with more streamlined mechanisms are needed to support the industry and enable growth in the global synthetic textiles market.

3. Upgrading the Factory stage:

- a. To prevent the futility of isolated policies, it is necessary to formulate all-encompassing policies for the textile sector that integrate with related sectors like gas and electricity, while ensuring effective implementation for true success.
- b. Improve energy efficiency in textile factories.
- c. Invest in modern machinery and technology for textile mills.
- d. Stricter enforcement of labor laws, ensure compliance with international quality and safety standards.
- e. Implement transparency, collective initiatives, and grievance redress procedures.
- f. Focus on skill development and education for textile workers and engineers.

4. Promoting the Fashion stage:

- a. Invest in design and marketing to enhance the visibility and appeal of Pakistani Pakistani fashion products.
- b. Focus on innovative designs and products to attract a different but profitable niche.
- c. Conduct effective marketing campaigns and initiatives to showcase high value of Pakistani products, breaking away from the perception that Pakistan is merely a supplier of mediocre goods.

5. Expanding in the Foreign market:

- a. Negotiate free trade agreements and expand market access.
- b. Invest in research and development to meet

market trends and standards.

- c. Work towards establishing Pakistan as a reliable and quality supplier.
- d. Enhance productivity, efficiency, and quality to stay competitive.

6. Embrace sustainable and ethical practices across the 5Fs framework:

- a. Adopt organic and recycled fibres.
- b. Minimize waste in the supply chain.

7. Shift towards value-added products:

- a. Focus on producing finished garments and designer textiles.
- b. APTMA's commitment to establishing 1000 garment plants with a substantial investment of USD 7 billion has the potential to bring significant value addition to Pakistan's textile sector and the overall economy. The boost in exports, job creation, technological advancement, value chain integration, infrastructure development, and sustainable growth are some of the key benefits that can be realised through this initiative. However, sustained policy support is essential to maintain this momentum and overcome any past challenges, ensuring the long-term success of the textile industry in

8. Continuously innovate and upgrade:

- a. Harness innovation to meet evolving consumer demands.
- b. Participate in international fairs and exhibitions to showcase capabilities.
- c. Take collective action and implement proactive measures for industry-wide growth.
- d. Create a strong linkage between academia and the textile industry which will foster continuous innovation and upgrades, driving advancements

Pakistan's textile sector, with less than 2% global market share, has great potential for expansion; however, Pakistan must focus on a visible shift to more MMF based products as 70% of the world trade now focuses on MMF based fabrics. To revive the economy, sustainable practices across the 5Fs framework are crucial. Uplifting MMF import duties, enhancing the PSF sector, simplifying import-export schemes, promoting sustainable sourcing, eco-friendly production, innovation in design, and exploring new export markets is mandatory. Pakistan can become a prominent textile player, creating jobs, boosting foreign exchange, and driving economic development.

The authors are affiliated with the All Pakistan Textile Mills Association (APTMA).



PAKISTAN'S THREE- QUARTER-LONG MIRACULOUS AVERSION OF DEFAULT

Asad Ejaz Butt

The IMF has finally indicated that it will be signing the much-awaited staff level agreement with Pakistan. While this must arrest months of speculations about the program and IMF's intentions which were often related to the political economy surrounding Pak-US foreign relations, the agreement is seen by various groups of experts in different lights. One school of thought suggests that Pakistan's elongated era of external account worries is now over and we will see a period of economic stability ahead. The other school thinks that stability will be short-lived and will be in a crisis as soon as the government starts implementing the stringent IMF reform programme. In either case, Pakistan has averted what some economists perceived as an immediate and looming risk – which is the risk of default. However, the tellable tale is not that Pakistan won't be defaulting since that is clear as day now, the tellable tale is why Pakistan didn't default in the last 09 months when its reserves had nosedived to levels where they couldn't support even 15 days of imports and international lenders were not interested in investing given the high risk of commercial debt default.

In one of my pieces for Dawn¹, I attempted to bring home the argument that political instability is bad for the economy – it has both deep and wide-ranging macroeconomic effects. If one comes to think about it, there's a classic contradiction associated with how instability casts its shadow over the economy – the country roars due to chaos and political turmoil while the economy numbs and is thrown into slumber. Pakistan entered into a dampening phase of political instability following the ouster of ex-PM Imran Khan through a vote of no confidence.

A new government was formed that saw Miftah Ismail, a liberal economist with a strong belief in the market, become finance minister. The political turmoil had raised serious concerns regarding an imminent default. Imran Khan was accused of opening doors to excessive spending in his last days at the office which was believed to have led to a steep rise in fiscal and current account deficits that had already begun to show signs of worry since the commodity super cycle started in February of 2022.

¹Some countries, like the US, even wrote off debt. To gauge how helpful this restructuring exercise was for Pakistan, the debt servicing burden was 41 percent of our dollar earnings in 1998-99 (almost the same as today)

While Miftah was content on leaving the dollar and certain commodities, otherwise strongly regulated by the government, to the market, he was compelled by the prevailing macroeconomic situation to adopt a policy of import controls. Imports were compressed in his first few months at the office which gave a breather to the current account which had become badly suffocated as global inflation continued to tighten its grip over external accounts of Pakistan and several net importing countries. Despite relief on the CAD front, pundits were predicting that the economy will default if the IMF does not complete the 7th and 8th reviews which had become due by then. This was the time when many conspiracies also raised their heads including the surfacing of an audio conversation of an-ex finance minister which was construed as an attempt to derail government's negotiations with the IMF.

Miftah, however, was able to convince the IMF and complete the reviews. Pakistan received a tranche of USD 1.17 billion in September. Miftah was ousted in the same month. While default had been averted, food and energy inflation were on the rise putting excessive pressure on the government which had sworn in on a one-line agenda to control rampant inflation. Miftah was replaced by Ishaq Dar who was enslaved by his own reputation of being an effective manager of the economy. This meant that he had very little time on his hands to turn things around and as inflation mounted and foreign exchange reserves plummeted, pundits were quick to make predictions of a default. I recall, Pakistan's credit default risk which measures probability of default was at 10% while foreign exchange reserves had fallen below USD 4 billion by the end of November of 2022.

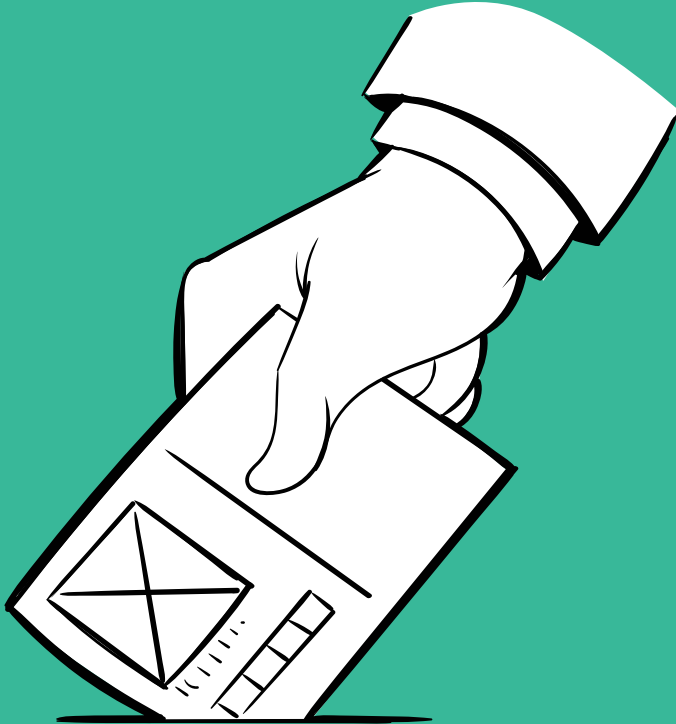
Following Sri Lanka's case and default situations in 17 countries including Ghana and Egypt, Pakistan was also pitted as a likely candidate for default. Pakistan didn't default in December, 2022. In fact, not only did it avert default, the finance minister honored all commercial debt and bond repayments due in December of 2022. It continued to avert default even in February, 2023 when the IMF mission arrived in Pakistan. The mission left without signing the staff level agreement (SLA). SLA wasn't signed for a month after they left, following which two months passed and default predictions kept gaining more strength. Then four months passed and came the time of the second budget that this government, which had come with a mandate to take Pakistan to the next elections, had to present. Not only was the budget successfully presented but the government also showed the audacity to present an expansionary budget promising large budgetary incentive to various stakeholders including government servants.

Instead of apologising for predictions that have continued to go wrong, Pakistani economists have now begun to technically knock the public out by saying that compressing imports to balance the external account is like a 'technical default'. This is just a way to smartly alter the reference point and how default is defined and the circumstances that take place if it occurs. A simple way to see if Pakistan got any close to a default is to see if the macro situation that developed in Pakistan was any similar to what happened in Sri Lanka or perhaps the crisis that Venezuela faced as a result of a turf war between its elected and outgoing presidents. Clearly, life in Pakistan wasn't affected at that scale.

Some pundits are also of the opinion that Pakistan's economy was too resilient or too large to default. Looking at Egypt's case, an economy much larger with higher level of imports and external account balances compared to Pakistan, this argument is also flouted. Even though Egypt didn't announce default against commercial debt, it was dangerously close to doing so. Matters there had gotten much worse, especially if compared to the macroeconomic situation that developed in Pakistan. The economy was neither too large nor too resilient to default and the only reason it didn't do so was because it was never actually close to a default.

All the time when reserves had fallen below USD 4 billion and IMF wasn't consenting to come on board, Pakistan was able to balance forex supply and demand through a policy basing its objectives on import compression and expected inflows from friendly countries. And all this while Ishaq Dar and the State Bank were reassuring the public that Pakistan is safe from a default, they were right and the economists were wrong. The economists have been wrong so many times in the past, but the public continues to doubt the politicians instead. Pakistan has a serious capacity deficit when it comes to the planning and management of the economy. Most economists don't have access to information and don't know what the government is doing. While the government must provide transparency, the economists must also attempt to stay in the know and refrain from half-baked and ill-informed analyses.

The author is a public policy professional trained in Economics and International Development Studies with over 10 years' experience in areas of public financial management reforms and macro-fiscal policies and regulations. He has also written quite extensively on the political economy of trade and institutions in South Asia. He can be found on Twitter as @asadaijaz.



NOTA ON THE BALLOT

Nilofer A. Qazi

'None of the above' (NOTA), 'against all' or a 'scratch' vote, is an option on the ballot in some countries. I have not been able to find sufficient information about the number of countries that offer this option but the list does include Ukraine, India, and at least a dozen European countries. This option for the electorate is designed to allow voters to indicate disapproval of all the candidates on offer for an election cycle. It is based on the principle that consent requires the ability to withhold consent in an election, just as the option of voting 'no' on ballot questions or referendums signals. This option is not the same as the electorate abstaining from the polls, where a voter does not cast a ballot. NOTA on the ballot and its outcomes can also provide estimates on general perceptions of socioeconomic factors, the support for democracy, and trust in institutions.

Research has found that NOTA on the ballot reduces invalid balloting more than abstention and much more than protest party voting. More interestingly, studies on NOTA on the ballots suggest that NOTA is related to socioeconomic status, political interest, political knowledge and distrust in political institutions and authorities, but not to broadly undemocratic attitudes. This is a very important point to note for Pakistan. Many anti-NOTA voices have argued in court and in discourse that NOTA on the Pakistani ballot would allow undemocratic forces to manipulate voting outcomes. I find this a spurious argument, which undermines the agency of the millions of vulnerable citizens in showcasing their dissent when they enter the voting box in privacy.

Pakistan has at best 30% of its electorate show up for polls. In a country which is highly fractured and distrusts its rulers, it is imperative the vulnerable democratic processes are strengthened. Keeping that very objective in mind, NOTA on the ballot would increase voter turnout, reducing the abstention and invalid voting, and reduce the growing distrust of political institutions-democratically. In the absence of serious electoral reform, this is a necessary step in strengthening and deepening the relationship between the electorate and the governors of Pakistan.

NOTA is an option that is required in an environment where trust has been completely eroded. Pakistan is a democracy only in name. It has a constitution which has been arbitrarily amended multiple times, disregarded, suspended, and disrespected in so many forms that it is impossible to keep count. On the other hand, the mantra of rule of law is constantly peddled by opportunistic politicians when convenient – particularly while signaling their suitability to 'permanent' powers.

This circus must end. Reform must be seen.

How do we begin change where there are no change agents? In a democratic process? Democratically. Through the will of the adult population of Pakistan.

NOTA was introduced by the Left alliance parties a decade or two ago without any success in the courts or in Parliament. The latter naturally found it problematic to

have an option which would remove them from office. I believe Parliament legislating on NOTA is a conflict of interest. Perhaps in more evolved democracies it would not be, but in Pakistan – where office is power – any threats to entrenched interests would inevitably be shot down at all levels.

Therefore, NOTA's introduction in Pakistan would have to be through the courts looking at the option as a fundamental right of the citizen – part of the electoral process of choosing a representative for Parliament.

Let us look at a recent example. Our parliamentarians have conveniently woken up to judicial overreach and clipped the powers of suo moto of the Chief Justice of Pakistan: a move which should have come many years ago. The timing of this new legislation does matter. It is linked to allowing judicial review of convicted Nawaz Sharif and other political characters convicted on various crimes which have disqualified them from holding public office.

This is not an argument against restricting suo moto powers of the Chief Justice of Pakistan, but the convenient selective ring fencing of an individual power over the destiny of too many. Why didn't the parliamentarians go further and instruct the CJP to hold full benches on matters which concern the entire nation? For example, elections and scope of delays and processes that qualify or do not. Ill thought out legislation which feeds personal interests has been the history of our parliamentary focus.

Therefore, NOTA on Pakistan's ballot cannot be left to the Parliament to decide. It must be adjudicated by the honourable Justices on behalf of the people as enshrined in our fundamental rights to choose or reject our representatives in a democratic parliament. In a country where political parties are run like monarchies or family businesses or both, we need instruments to level the playing fields.

The electorate in Pakistan are quite exhausted after 50 years of democracy in form, with little substance in the outcomes of this circus. Their lives have not improved. Interrupted democracy has undoubtedly impeded development and stunted growth and maturity. But it is time we reform the electoral options for the process to have substantial meaning and legitimacy. It has become imperative for the populous to have incentives to remain democrats. Pakistan is reproducing at a rate unimaginable and unbridgeable divisions, if left to fester any longer, will only mean chaos.

How do we begin to dent this log jam in a system which refuses to break the elite capture or antipeople politics? We need an instrument to believe in the power of democracy. This is where NOTA becomes critical on the ballot.

Many countries have it as an option. It is an instrument which provides power in the hands of the voter. Pakistan's constitution has fundamental rights for its citizens: to exercise that right and voice it, this instrument must be available on the ballot. NOTA is an opinion by the electorate that must be documented and analyzed. Political parties must respond accordingly.

NOTA will also certainly encourage the non-participating electorate to come to the polls and participate in choosing their representative. An instrument which brings more eligible citizens to the polls cannot be discouraged or shunned. It is an instrument of deepening democracy and widening the participation of many marginalised opinions in our polity. Pakistan is a premodern, feudal, tribal society where many visible and invisible forces play and influence individual choice. This is even more true with women and other relatively more vulnerable segments of society. NOTA provides these voters an option to state their views on the record.

The House of Representatives must have the full support of the electorate. Legitimacy has to be based on both options on the ballot: to accept the list of candidates on offer or reject them. Currently the political parties give the electorate no options, they send the same candidates repeatedly despite the disastrous failures on display. They have no reason not to. There is nothing a vulnerable electorate can do. But NOTA changes all that.

NOTA votes manifests in multiple ways. If the number of votes on the NOTA option is highest, the candidates running from that particular constituency can be disqualified – either for life or a certain period of time. Alternatively, it may simply be noted without any impact: in which case it still serves to signal to political parties to choose better next time.

The actionable power of the NOTA vote varies, because the polity may need to educate the electorate on this option and the implications of this choice. Nevertheless, for Pakistan, I strongly urge that we at the very least offer it as an option on the ballot to record the sentiments of the electorate. I personally would advocate for an effective NOTA vote, where candidates are permanently disqualified from competing from constituencies where NOTA turned out to be the highest vote. This would force the political leadership to choose candidates that better reflect the desires of the people rather than a mere loyalist.

Political parties in Pakistan are not internally democratic. The permanent culture in our larger mainstream parties led by Zardari, Sharif, & Imran, decide who gets a ticket on the 600 odd MNA/MPA slots. Currently they are all rich men. Exceptions aside, this has been the norm. Do Pakistanis only constitute rich men? What is the likelihood of these rich men fighting for the rights of the poor in Pakistan? Do these supposedly enlightened men realise that power brings responsibility?

What we have seen since the inception of the PPP in

the 1968-1970 period, or the PMLN in the 1980s or even the ANP which predates Pakistan, and now PTI; is that they all have one structure of power: one person decides. His will overturns any and all party committees to decide important matters including tickets for elections. Bottom line: one king in each party distributes and allocates his largesse. Whether we see potential candidates run up the hill or fly to London or Bilawal House, the circle of power is transparently undemocratic. The considerations and criteria for candidates have remained as follows: family first, extended relationships second, who do I owe favors to third, who can afford to fund a campaign on his own money fourth and finally – and this is a heavy consideration – who is recommended by the permanent powers fifth. None of these is in the interests of the constituency. NOTA.

A cursory look at Pakistan's budgetary priorities over 75 years also reflects what our existing democratic system has chosen. Pakistan's investment in its people and their welfare is negligible. A polity, a democracy, where the electorate's welfare is at the bottom of pile priority is a pitiful one. To change this democratically, it must begin from the options on the ballot. There is a direct correlation between expanding the electorates power and the eventual results of our development indicators.

It is time to grant political opportunities to a new generation of representatives for the people; a chance to the millions of citizens that are part of the toiling working classes. Let them also participate in the governance of this country. NOTA can be the instrument of change. Don't we want more people voting and coming to the polls? We need a democratic instrument to encourage the eligible Pakistani voter to come and exercise their right to participate in the process of electing a representative of our destiny.

By excluding the NOTA, as Pakistani election laws have effectively, and knowingly done so, the state is effectively challenging the electorates rights by denying them their right to vote. Why deny this fundamental right? Difference of opinion(s) is a hallmark of a healthy vibrant society/polity. NOTA would provide more legitimacy to anyone who wins a seat! Let's not forget the instances of women being barred from casting their vote, or candidates 'winning' by 300 cast votes or similar ridiculous elections where there is no way a candidate can be considered an accurate representative of that constituency but is anyway.

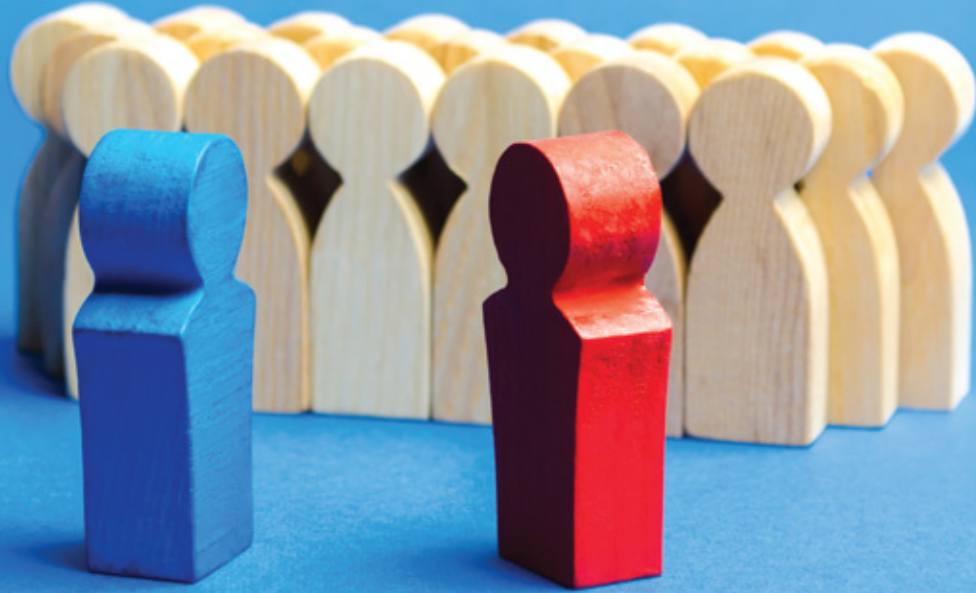
If Pakistanis want to take some control over their destiny, I urge the public to demand for NOTA on the ballot. In an already polarised society, it is essential our next general and provincial elections has this option.

How many voters ponder about the point of elections in Pakistan? If we have an election without reforms, we the people will be responsible for bringing back the same failed politicians to do exactly as they have done all over again. Then why bother with an expensive futile exercise? How are we supposed to force genuine reform, democratically and without violence?

NOTA is one serious tool.

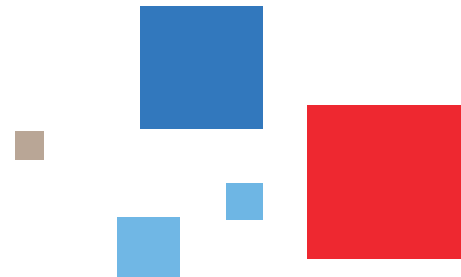
The author is a public policy professional (disaster management specialist) and has a book to her name, 'Culinary Tales from Balochistan'. She may be found on Twitter as @ninoqazi.





DEBATĚ

The Debate segment of Discourse seeks to initiate open, good-faith exchanges on ‘big picture’ questions of policy: in particular, ones that involve two consolidated ‘schools of thought’ that have each evolved in apparent isolation and become the antitheses of one another over time. This is due, of course, to ideology and the incentive structures of both media and academia – which are structured to foster the growth of echo chambers. Through this section of the magazine, the Pakistan Institute of Development Economics is attempting to lay out the two salience perspectives of a particular topic in a manner that centres our audience, allowing them to engage with both sides and arrive at their own conclusions.





IS ELITE CAPTURE THE MOST SERIOUS CONCERN FACING PAKISTAN'S ECONOMY?

There seem to be two primary schools of thought explaining Pakistan's socioeconomic and political trajectory, or lack thereof.

On the one hand, this perpetual 'delicate turn' is blamed on the capture of the state apparatus by opportunistic elites that are interested in little else besides personal gain. They are a closely knit, closed circuit of individuals from various domains – whether that be corporate, industrial, feudal, security-related, or otherwise – who work closely with one another to preserve their collective hold over the corridors of power engaging in what is known as the politics of patronage. This refers to an elaborate system of favours that are meted out amongst the top echelons in exchange for political capital.

The argument here is that institutions are essentially headed by individuals that have little to no interest in departing from the status quo. They are perfectly content with running things the way they always have been, i.e. in as extractive a manner as possible, so as to maximise their own 'cuts' in the process. It is fundamentally corruption, therefore, that lies at the heart of the matter: key decision making roles populated by individuals that misuse them, embezzling funds and shirking their responsibility to the public.

The 'elite capture' camp argues that if rule of law could be strengthened, and rulers held accountable for their misdemeanours in an impartial manner, then that

would be the beginning of a genuine reform movement. This school also implies a certain cultural pathology at play: whereby the departure from historic norms, values, beliefs and traditions have led to a generalised immorality in society which fuels this malgovernance. To sum, it is people – rather than systems – that are responsible for Pakistan's troubles: and if they were to be replaced by the right 'kind' of people then the systems would eventually change for the better as well.

Critics of the 'elite capture' perspective, however, point out that key institutions are populated and controlled by elites across the world: particularly in the developed world, where all indicators of 'success' are more or less secured. What is it about their elites, they ask, that prompts them to perform regardless? The answer lies in competence. In other words, elites in the developed world may engage in similar kinds of corruption – but they have the expertise and know-how, from a governance point of view, to ensure that a certain standard is maintained when it comes to service delivery. This is ensured by the fact that institutional arrangements and governance structures are such that they are not reliant upon the altruism or even intelligence of the specific individuals heading them. Instead, their internal incentive structures are geared to promoting performance at every level so that the delivery of services is more or less ensured – with minor differences on the nature and direction of these depending on the ideological

orientations of the ruling government. This camp argues that Pakistan never reformed its institutions following the exit of the British, meaning that the 'logic' of development remained firmly in place: centred around extraction. For this school, democratisation never occurred in true spirit: the White man was simply replaced by the Brown one.

For instance, mainstream parties in Pakistan are heavily reliant on big landlords to come into power. These are feudal lords that possess a certain degree of coercive power over their respective communities, whom they can instruct to vote for particular candidates during elections. By granting the 'top dog' in a particular rural constituency a ticket for the polls, political parties virtually ensure they win that seat without any real competition – and in the absence of land reform, this structure of power will continue to mean that the same faces continue to dominate the power corridors. In sum, it is the systems and overarching structures that are to blame for Pakistan's woes rather than the individuals occupying key decision making roles.

This debate has garnered considerable attention over the past few months, particularly following the launch of Rosita Armytage's book, 'Big Capital in an Unequal World' – which is one of the most forthright arguments in favour of the elite capture perspective in Pakistan's history. Ultimately, this is the chicken and egg problem: which comes first, good people that can trigger systemic reform or good institutions that can generate effective leaders?

We are grateful to both our contributors, Ishrat Husain and Asad Ejaz Butt, who have graciously offered to articulate their strongest arguments for each of the positions. The purpose here is not to add further fuel to polarisation, but to encourage readers to engage with what the 'other side' has to say – a key facet of the democratic process across the world, particularly in developed countries.

We hope the debate offers useful information, and encourage you – our lovely audience – to chime in with your thoughts and feelings on the matter. Our social media platforms always welcome healthy, respectful, and fact-based exchange of ideas: regardless of how 'controversial' they may be. So hop on!

Remember to keep the discourse alive!

Sincerely,

Editorial Board
Discourse Magazine
Pakistan Institute of
Development Economics



ELITIST ECONOMY: How to Dismantle It?

Ishrat Husain

It is now well established in theory and practice that developing countries which were successful in raising the living standards of their population were characterised by a strong and capable state and efficient competitive markets. The binary 'State' versus 'Market' debate has outlived its utility. Pakistan has lagged behind others because a small class of elites has rigged the markets and captured the state to their advantage keeping the majority of the population deprived of the benefits of growth. The phrase 'elite capture' was not so widely rampant when my book, *The Economy of an Elitist State* was published twenty-five years ago. This word has now gained currency and has become congruent with the decline of the Pakistani economy and hypothesised as a major explanatory factor for this decline. There is a widely held belief: the elites in Pakistan have expanded in number and are getting stronger in influence in matters of public policy and unless this model is dismantled Pakistan would continue on its downward trajectory.

How does the elitist model work in actual practice? A clear understanding of the dynamics is essential for the measures required for the dismantling the elitist system of governance.

At present a common citizen without any connections or ability to offer bribes cannot access any of the basic public services for himself and his family. Political leaders use this helplessness of the common citizen to their advantage by acting as the intermediaries between government functionaries and the poor citizen. The dividends he collects this way are cashed on the day of elections. The grateful beneficiary exercises his own, his family and kins' votes in favour of their benefactor. Elected this way the political leader asserts his weight and gets the thanedar, patwari, tehsildar, Irrigation SDO, school teachers and other government functionaries of his choice appointed/posted in his constituency. As they are beholden to him these officials carry out his

wishes favouring the elected MPA/MNA's supporters and penalising those who oppose him. This vicious cycle keeps on moving irrespective of the changes in the political parties in power. Only the cast of character changes. The old defeated leader is replaced by the newly elected one but the tactics remain the same. The grant of millions of rupees out of Public Sector Development Funds allocated to each MNA/MPA for spending in their own constituencies further fortifies their hold as they are able to demonstrate the public works they have carried out or the gas and electricity connections they have been able to secure. The elites continue to keep their firm control intact.

The mechanism of rent seeking and wealth accumulation by the elites is through the distortions created by the crony capitalism widely practiced in Pakistan. Concessions, exemptions and bank loans that are subsequently written off, preferential allocation of land at subsidised rates, import duty slab changes through SROs to favour some to the exclusion of others, invoicing and over voicing of international traded goods, misdeclaration and undervaluation of goods, unrealistic tender awards for contracts subsequently padded up for large cost overruns have made the business elites, their families, the bureaucrat friends and political allies fabulously rich. The deadweight loss to the economy by higher end use prices, loss of international competitiveness, elimination of the genuine competitors has led to poor and inefficient economic outcomes. The machinery of state to enforce these malpractices participates in the rents so garnered.

Where markets fail to perform their function of clearing prices by equilibrating supply and demand a wedge is created between the 'observed prices' and their fundamental determinants ending up in inefficient allocation of resources. Investors shy away from sectors and activities that the economy really needs for growth and sustenance and shift to those unproductive ones

where quick, short term gains can be achieved in an environment of market distortions and imperfections.

Private profits keep accumulating at the cost of widely shared benefits to the society. Overall low economic growth coexists with excessive returns pre-empted by selected market players. There are some 'rent thick' sectors such as real estate, construction, railways, ports, airports, highways, media and telecommunications, mining, oil and gas, food procurement in which the government enjoys disproportionate powers in determining the financial health of a company through administered prices, award of contracts, concession agreements, spectrum allocations and grant of licenses, tariff determination, permits, no objection certificates, allotment or leasing of land. These sectors have been the principal source of wealth accumulation.

Elite classes have also become rich through acquisition of state land at below the market prices, getting these housing societies and estates developed through public exchequer, securing public utilities on priority basis, then disposing them off at prevailing market prices. The ratios of acquisition costs and sale proceeds run into 1:100 depending upon the city, location and years the plot or property is held. The sale price at which the transaction is recorded is only a fraction of the actual market price. The balance amount at which no tax or registration fees are charged becomes available for conversion to other assets: real estate, stocks, equities, gold, foreign currency or cash. The currency in circulation ratio in Pakistan is one of the highest in the region. As the money changers are allowed to freely buy and sell foreign exchange and foreign currency deposits in banks for residents are permissible a lot of money thus earned is transferred abroad to safe havens.

The question that needs to be addressed is: what are the ways in which the elitist model can be dismantled and the economy freed from the stranglehold of the elites? At least five major reforms can be offered for this purpose.

- The key institutions of state such as civil service, police, judiciary responsible for delivery of basic services such as education, health, water supply, traffic control, housing, protection of property etc. have become increasingly dysfunctional. The apathy, indifference and lacklustre performance of these institutions have deprived the non-elites from access to justice, grievance redressal, resolution of daily life problems and basic social services. Corruption and sifarish rampant in these institutions have actually intensified the power of the well-to-do and influential. The devolved local government structure under which the elected officials were empowered to deliver the basic public services to the communities at the grass root level has been abolished and the provincial governments have centralised powers and control over financial resources. The poor remain at a distinct disadvantage from the current system as they have no direct access or control and have to seek the assistance of powerful intermediaries i.e. the elites to obtain

relief and obtain services such as filing an FIR, registering a document, getting mutation of land, obtaining a passport etc. An effective, devolved, responsive and empowered Local Government system (directly elected) would dilute the powers of the narrow and entrenched elite classes.

- The judicial system remains clogged with hundreds of thousands of cases of frivolous litigation that crowd out legitimate and serious cases of contract enforcement, property and land disputes, crimes to life and person and threats to public order. As there is no perceptible penalty against frivolous litigation the existing system is being grossly misused by the vested interests to their advantage by indulging in protracted proceedings that unnecessarily prolong the determination of the cases. The multiple appeal system add fuel to the fire and act as a further deterrent to the efficient functioning of the process. The relationship between the Judiciary and Executive branches has become adversarial hindering the process of law enforcement. An open, transparent system of selection of judges and their accountability by which the corrupt and incompetent are removed, frivolous litigants are heavily penalised and an inexpensive alternate dispute resolution system are the most important steps in breaking the back of elitism.
- Education has proved to be a great leveler providing opportunities to the children from poor and disadvantaged classes to acquire skills and training and reach the highest pinnacles of success in their respective professions of choice by dint of hard work, merit and performance. Unfortunately, the fragmentation of the educational system in Pakistan right from the beginning of a child's life cycle has made it quite difficult to use education as a source of upward mobility and improvement. Although several well-meaning individuals and organisations are providing quality education to the children from the poor segments of the society their numbers and reach are still quite limited. A further expansion of public private partnership would have a beneficial effect with the government providing infrastructure and stipends to the poor and disadvantaged and girls. At present the public school system with a few exceptions, is jammed with mediocrity and inefficiencies and needs to be completely reoriented and revamped to meet this objective.
- The taxation and public expenditure system can be another potent instrument in transferring some part of private incomes beyond a certain acceptable threshold from the well-to-do and the rich to the poor and disadvantaged. But unfortunately, the number of actual tax payers in relation to potential tax payers in Pakistan has remained small restricting the ability of the state to promote equity. The wind fall gains made by the elite classes in the real estate, trading, agriculture have escaped taxation dwindling the tax collection and also generating a sense of lack of fairness in the society. The sooner the agriculture incomes, service incomes and capital gains are taxed and then

used for spending on pro-poor services through local governments and social safety nets the better off the distribution of income will be. The elite class will be prevented from deploying public finances for intensifying their hold.

- The financial sector has failed to address the credit needs of the small farmers, small businesses, salaried individuals and the poor. The coverage so far, among the agriculture households is only 15 percent. Similarly, microfinance institutions (MFIs) have penetrated about 10 percent of the potential beneficiaries. Financial inclusion can be achieved by expanding digital financial services. The availability of credit to such a sizeable number of households belonging to lower income groups will empower them socially and financially reducing their dependence on the elite class as intermediaries. The outreach of MFIs to the women clients in particular will have many collateral advantages in form of education, nutrition, better health, cleanliness etc.

To sum up it is fair to say that the elitist capture of Pakistani economy during the last twenty-five years has become accentuated as the agenda for reforms particularly in the institutions of the state, judicial system, educational system, tax and public expenditure system and further coverage of the financial sector has remained unattended. The incoming elected government should devote its tenure to bring about these reforms and begin uprooting the tentacles of the elitist economy and make institutions of governance inclusive, strong and effective. Resetting the direction of the economy rather than the immediate electoral gains should be their motto. They must realise that an impartial system in which all citizens have equal access to opportunities on the basis of hard work, rather than connections and class, has a much better chance of achieving shared prosperity in the long run. In a polarised multiethnic, multilingual society extra efforts have to be made to ensure that the markets work openly and competitively and the state distributes the gains from such an economy by taxing the rich and building the capacity of those who are less well endowed, marginalised, residing in remote areas, etc. and to help those who require social safety nets and transfers to sustain themselves.

The author is a renowned institutional economist who has held several key positions in the government of Pakistan. He is the author of 'Pakistan: The economy of an Elitist State' and 'Governing the Ungovernable'



INEQUALITY AND ELITE CAPTURE:

Unavoidable Costs of Development

Asad Ejaz Butt

A debate that has picked up fire in Pakistan's policy and intellectual circles recently is whether the country's nemesis lies in the excesses of its political and economic elite. While there are several reasons why this debate has gained traction, two seem to stand out far more grandly and conspicuously than others.

Firstly, there is a serious underlying economic problem that keeps surfacing. The economy has moved in cycles, especially since the 1970s and as this pattern continues, one can also observe that bust cycles are becoming longer and more pronounced with the recent one continuing in one form or shape since 2018. It has been exacerbated by the global commodity super cycle that saw many economies getting engulfed in a wave of hyper-inflation and foreign exchange crises. Pakistan has also been experiencing double-digit inflation since February of 2022 with recent year-on-year inflation topping 29%. Inflation has been accompanied by growth gradually slowing down, a phenomenon economists call 'stagflation'. Fiscal capacity of the government has been eroded which prevents it from socially protecting those most badly hit by inflation. Some segments of Pakistani society faced a double jeopardy in 2022: they were hit by inflation and job losses and then had to face the worst form of floods. IMF's belt tightening reforms that the government had to implement to solve its external account problems also fell adversely on the poor.

Secondly, there is a strong degree of the populism element involved in the mainstreaming of the term 'elite capture'. With the rise of right-wing populism globally, great emphasis was laid on the incidence of corruption and how it is a drag on the economy. Populists in many countries including Pakistan rode on the anti-corruption narrative while promising clean-up operations and wide-scale reform. The anti-corruption narrative, while largely irrelevant, as corruption has continued to exist and grow in many states that elected populist leaders in the past ten years and seems to have little effect in terms of forging a sustainable economic turnaround, has undoubtedly narrowed the focus of public policy on controlling the 'excesses' of the elite.

This has certainly come at a massive cost of diminished focus on other more important subjects of policy like utilising policy instruments to foster enhanced productivity which is known to improve standards of living at a wider level. Writing for the Express Tribune, Muneeb Salman suggests¹ that "the term elite capture was popularised during the PTI government when it was proclaimed to be the root of all socio-economic ills in Pakistan by former Prime Minister, Imran Khan." Former Finance Minister of the incumbent government, Miftah Ismail, also spoke at length about elite capture, with his November 2022 article 'The One Per Cent Republic' making headlines across the country. While the focus on elite capture is misplaced and induced not primarily by its transformative capabilities but economic and political circumstances that have somehow aligned public priorities with populist sloganeering around elite capture, there are some concerns surrounding elite capture and inequality that need to be laid out. One reason for concern is that people in the lower rungs of the economic ladder experience diminished economic opportunity and mobility in the face of rising inequality, a phenomenon referred to as the 'Great Gatsby Curve'. The other is that elite capture and inequality are multi-dimensional phenomena and must not be limited to the capture of economic resources by the elites but be seen holistically to underscore the asymmetric powers and authority they wield over other aspects of nation-building and governance like politics, media, etc. What must be understood is that the share in wealth is the cumulative outcome of the elite's control of the media, politics and society. If with all that control and entrenchment, elites in the developing countries like Pakistan manage a lower wealth share than their developed world counterparts, one will have to look elsewhere to find reasons of underdevelopment.

¹<https://tribune.com.pk/story/2407948/identifying-the-elite-in-elite-capture>

While equality in opportunity, as propounded even by the staunchest neoliberal theorists like Milton Friedman, and symmetry in income distribution, are desirable even if that may come at a cost of creating homogenous societies that lack balance and diversity, top 1% in developed countries own larger shares of wealth than poor countries that think elite cap is their nemesis. According to data, in the US, top 1% owns 32.3% and top 10% owns 72% of wealth. Richest 1% own more than the combined wealth of 70% in UK while top 1% of Australians hold 50 times more wealth than the lower 60% of the population.

The incidence of high inequalities in more developed nations is also captured by other studies. According to a study by the council on foreign relations², “in 2021, the top 10% of Americans held nearly 70% of U.S. wealth, up from about 61% at the end of 1989. The share held by the next 40% fell correspondingly over that period. The bottom 50% owned about 2.5% of wealth in 2021. Inequality in the United States outpaces that of other rich nations. This is captured by the steady rise in the U.S. Gini coefficient, a measure of a country’s economic inequality that ranges from zero (completely equal) to one hundred (completely unequal). The United States’ Gini coefficient was forty in 2019—the same as Bulgaria’s and Turkey’s, and significantly higher than that of Canada, France, and Germany—according to the Organisation for Economic Cooperation and Development (OECD)”.

Another argument is that household incomes have risen alongside sustained growth and development in the US. This has occurred in parallel with rising inequality and elite capture implying that even those considered to be victims of elite capture have experienced massive increases in incomes and standards of living. According to Pew Research³, “with periodic interruptions due to business cycle peaks and troughs, the incomes of American households overall have trended up since 1970. In 2018, the median income of U.S. households stood at \$74,600.5. This was 49% higher than its level in 1970, when the median income was \$50,200. Since 1980, incomes have increased faster for the most affluent families – those in the top 5% – than for families in the income strata below them. This disparity in outcomes is less pronounced in the wake of the Great Recession but shows no signs of reversing. From 1981 to 1990, the change in mean family income ranged from a loss of 0.1% annually for families in the lowest quintile (the bottom 20% of earners) to a gain of 2.1% annually for families in the highest quintile (the top 20%). The top 5% of families, who are part of the highest quintile, fared even better – their income increased at the rate of 3.2% annually from 1981 to 1990.”

In Pakistan’s case, as reported by UC Berkeley, income share of top 1% is 30.2% (wealth estimates are lesser known) but can be inferred from India which with more pervasive poverty has top 1% owning 40% of wealth. What therefore strikes out is factors that spark the debate on elite capture, poor standards of living, low income per capita, food insecurity, under representation

of marginalised groups, have a much higher incidence in countries that are more equal, i.e. where top 1% owns less. The states captured by elites have seemingly done much better on these counts.

There is also a strong economic history argument to the elite capture debate. Growth in human population and advancements in technology induced the need for structural transformations and economies around the world, some at a much faster pace compared with others, started to industrialise and produce more specialised and complex goods. Cities and trade routes developed that facilitated commerce and technical specialisation. Countries transitioned from subsistence-type economies and took-off in the Rostovian style to become the sophisticated economies that we are today. This advancement saw massive increases in median household income and economic development. What it also saw globally, and more so in the rapidly developing and industrialising nations was the rise in inequality which implies capture of the state’s economic resources by the top income quintiles. Economies have, in fact, tended to develop in the company of what is today called ‘elite capture’ which can, in some ways, be seen as a byproduct or a cost that societies have continued to pay to afford and sustain such level of development.

While one can see the merits in the Stiglitzian argument that concentrated income and wealth reduces the level of demand in the economy because rich households tend to spend less of their income than poorer ones and reduced opportunities for low-income households can also hurt the economy, Stiglitz believes that “When those at the bottom of the income distribution are at great risk of not living up to their potential, the economy pays a price not only with weaker demand today, but also with lower growth in the future.” However, evidence that has emerged on the subject has continued to defy Stiglitz’s claims.

The inclination to target the elites seems to suffer from expedience and a fashionable urge to shift the blame and provide a false sense of satisfaction to economists who have failed to identify, let alone address, antecedents of Pakistan’s underdevelopment. Like politicians have continued to invest in visible development to consolidate political capital, economists have tended to gain popularity in intellectual circles by indicting the elite because their excesses are known and visible and thus unpopular with less privileged groups.

Pakistan’s economic issues have more to do with the structure of the country’s production system. Structural reforms aimed at increasing productivity in several sectors of the economy would inevitably result in higher incomes for everyone, thereby lifting the overall standards of living in the economy. This, as we have seen in other developed nations that have industrialised will automatically produce more unequal income distribution outcomes but one can safely say that this is the cost that countries will have to bear to develop and must take as a given as they embark on this difficult journey.

The author is a public policy professional trained in Economics and International Development Studies with over 10 years’ experience in areas of public financial management reforms and macro-fiscal policies and regulations. He has also written quite extensively on the political economy of trade and institutions in South Asia. He can be found on Twitter as @asadajaz.

²<https://www.cfr.org/backgrounder/us-inequality-debate#:~:text=Income%20and%20wealth%20inequality%20is,slavery%20and%20racist%20economic%20policies>

³<https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>



OPINIOŃ





ATTITUDES AND BEHAVIOURS IN THE CLASSROOM

Neda Mulji

A large group of boys and girls work quietly at their desks as the teacher walks around monitoring their work. There is an air of authority about her, and the discipline seen in that classroom is a school management's dream. However, this same group of boys and girls break into chaos during break time. There is name-calling and queue-breaking at the canteen.

The attitudes and behaviours that we inculcate as teachers in our classrooms are not sustainable if it is only temporary discipline in the presence of a teacher. When students are groomed in etiquette, emotional self-regulation and social wellbeing, a general culture of appreciation and integrity takes root. This can then be seen in the students' personal carriage and demeanour as they conduct themselves at home, at school and in larger society.

Most behaviour in the classroom is now controlled through fear-based means. An empty threat, a proverbial knock on the head, a stern look – all used as weapons of control by teachers desperate to maintain discipline as they single-handedly manage large classes.

However, a more structured approach to discipline would start from working at the core attitudes and behaviours that manifest themselves when the students are not being watched. What they say and how they interact with each other outside of the realms of expectation reveals the essence of who they really are. Often, modern-day discipline strategies skip the essential step of helping students decide who they want to be and what qualities they would like to embody. Much of this has to do with a gap in our curriculum that doesn't directly address social and emotional wellbeing, conscious and unconscious biases and citizenship values.

Let's look at each one individually. A teacher who feels responsible for the social and emotional wellbeing of students will devise ways to check in with them, monitor how students are feeling, keep a pulse on the rapport of the class with each other and help them with active assistance at emotional self-regulation. Students often don't like to be told what to do, but they inevitably mirror their teachers. When the entire staff culture and behaviour revolves around respect towards each other and the students, when teachers take pleasure in their work and use open and verbal means to recognise the good in their students, when students implicitly know the behavioral expectations at school, there is generally no need for active enforcement of rules and discipline.

Most teachers complain that there is no time to set aside for social wellbeing and emotional self-regulation activities – there is just too much content to cover and grading to be turned in. The truth is, none of this has to be done separately if it can be seamlessly woven into the culture of the classroom and the school community at large.

Language plays a key role in how we conduct ourselves as it's one of the prime means of communicating with another. When we ask for something from another person, a request can seem like a demand and get an abrasive response from another. In recent decades, the 'dumbing down' of our language – where we choose to exchange formality for quick and casual terms – interferes with social relationships with a domino effect impacting all levels of the educational institution, and it usually begins with the most basic student-teacher interaction in class.

Consider this scenario: a student is missing from class and the teacher calls out the name for attendance. The students don't know why he isn't in class and the teacher says 'Never mind, he misses a lot of classes.' The intention may be sound – perhaps that comment has come from a place of care and worry. But it gets filtered through the class ranks and eventually the student is told the teacher had said 'he is always absent.' This translates into the student feeling that he was spoken about in his absence, gets derailed, works a little less efficiently in that teacher's subject, and gets made fun of by the peers who repeat the little conversation about him several times in the next few weeks.

What we have here can be classified as 'unconscious bias' at play. While the teacher did not intend to single out a student with a particularly scathing remark, the potential impact of the statement was not considered. In most classrooms, such occurrences are regular with far-reaching effects where pupils perceive that there is bias against them, while the teachers don't take responsibility for it. An awareness of unconscious bias – with projects, activities, conversations and workshops on recognising our own biases and possible intervention can improve the scales of behaviour and positively impact the social interaction of students with their peers and their teachers.

Sometimes teachers are guilty of unconscious bias when their attitude in class projects that students who get higher grades are more 'valued' than those who don't. Teachers not only tend to give more speaking opportunities to students with higher grades, they often also get positions of responsibility as the class monitor or student council member. While this may be a way of rewarding academic performance, it is also counter intuitive as it frustrates or alienates those who are unable to get high grades. It's important for teachers to be seen as fair in class and beyond, to ensure that their attitude towards students isn't coloured by their academic performance, and to set high standards of etiquette that the students will follow in their own interaction in school and society.

Traditionally citizenship education was embedded in the culture of an educational institution. Students and teachers alike recognized and rose to their responsibility towards society. Whether that meant keeping classrooms clean or using the restrooms responsibly, protecting school property or helping peers get home if their car broke down, individuals were aware of the need to play their role. Unfortunately, most students now have to be asked to help – the choice isn't always their own. This change in society at large is also intertwined with how students are taught to conduct themselves when a figure of authority is not present. Can they make individual choices to be a responsible citizen, an unbiased helper? Can they show compassion to someone they are not friends with, but needs their help?

The awareness of rights and responsibilities of being a citizen of a community starts in the classroom. For active participation, students need to be taught the tools of engagement which are largely incorporated in their attitudes and behaviours towards those around them.

The same wheels may keep on turning until teachers work on strategies to include students in actively monitoring and regulating their own attitudes and behaviour. As they say, 'be the change that you want to see.'

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RETHINKING INVESTMENT, SURPLUS, SAVINGS, CAPITAL, GROWTH, AND INEQUALITY

Nasim Beg

HOW DO WE MEASURE THE INVESTIBLE 'SURPLUS'?

When we talk of investment in an economy, we assume that it is based on the surplus of production over consumption, that is saved and deployed (ignoring for the time being any foreign investment inflows or outflows), as capital towards growth of the economy, i.e., an increase in the collective wealth of the members of the community. Albeit the distribution of wealth so created is skewed in favour of those who deploy the capital.

But is this equation as simple as it appears to be? The short answer is no, it is not. I will try and explain myself. The conventional wisdom is that the surplus of production over consumption is convertible into investable capital. This of course does not happen directly, the surplus is expressed in money terms, and this money can buy you say machinery, which is the investment that helps produce more and generate growth. However, this money is not simply recirculated by banks, but there is significant multiplying of it.

What happens to the money, between the time the surplus is generated and the time it is invested, as well as how this surplus is continually multiplied, is what we need to focus on. With the banking system in play, the surplus in money form gets deposited in one bank or the other, the bank following the central bank regulations deposits a fraction of the deposit with the central bank and is then able to create new money with the rest through lending. (Note 1)

Of the money created through the lending by the bank, some might be loans to households to finance consumption, consumer durables, or home mortgages etc. Thus, directly, or indirectly, this will end up as sales revenue for businesses.

The other aspect of bank lending will be some borrowing by businesses to finance investment towards increased capacity.

There may also be some lending to the government, which will either be invested in infrastructure or towards meeting current expenses. In either case the recipients of the money from the government will pay businesses that will create new deposits for the banks.

This new money created through lending will end up in the bank accounts of businesses. The bank accounts of the businesses will reflect as new money deposited with the bank.

Irrespective of what the bank lending created money is spent on, it will generate more deposits. So, theoretically, if the reserve ratio is 10% and if the economy started with a surplus of say 100,000 units of money, and assuming all the current holders of the money initially hold it in their respective bank accounts, the banks could collectively create another 90,000 of new money through lending. This 90,000 would flow back to the

banks and they can now create additional new money equivalent to 81,000; and so on. By running this to the fifth cycle, this "surplus" of 100,000 monetary units grows to around 400,000 monetary units. The growth in money created by the banks will be constrained by not only the cash reserve ratio, but by the bank's capital to lending ratio as well. In the assumptions I have used, the banks would be able to meet the requisite capital through the growth in retained earnings. However, these assumptions are meant for illustrative purposes only, the real-life situation will vary depending on the economic conditions, the jurisdiction and the specific bank's performance.

In a Pakistan type situation, where around 30% of money remains in cash, outside the banking system, the theoretical multiplier impact will see a reduced growth of the "surplus" to around 285,000 monetary units after the fifth cycle.

DISTRIBUTION OF THE INCOME GENERATED THROUGH INVESTMENT OF THE SURPLUS (CAPITAL)

Piketty has demonstrated through analysing years of data, that the return on capital is greater than the growth rate of wages. However, what escapes attention is the role of fractional reserve banking and the fact that its impact on the return on capital benefits from the multiplier effect of the 'surplus'.

Importantly, a typical businessperson, who will 'invest' towards growing the business through additional capacity, may finance say, thirty percent through equity, and the rest through bank loans. The loans in turn, are based on deposits from a cross section of members of the community, including some savings of wage-earners, who get a relatively small, fixed rate of return on their money, while the businessperson typically earns a rate of return significantly higher than the rate money is borrowed at from the bank. Thus, the wage earner suffers two levels of creaming off, the business pays an interest rate say, for the sake of illustrating the matter, at 10% per annum, the bank may make a spread of say 4%, thus paying the depositor 6%, while the business earns say 4% more than it pays the bank, thus earning 14%.

However, this is not the difference in earnings for each group, but the difference is significantly higher. I have used some assumptions to illustrate the point. If a typical business invests, using 30% of its own equity and 70% borrowed from banks, and the tax rate across the board is 20%, the equity provider will net a pre-tax return of 23% on the equity, after accounting for the interest paid on the borrowed money. While the earnings on the gross capital employed are 14% as we had assumed, the interest portion paid to the loan provider, is through a legal fiction, treated as, not the share of profit on the borrowed capital, but a tax-

deductible cost. This adds another 5% to the earnings of the equity holder in the form of the tax shield (Note 3) – effectively a tax rebate at the cost of other taxpayers, which include the wage-earners.

This exercise of the tax shield is repeated for the banks as well. If the banks maintain an equity of 20% of the deposits, the pre-tax return on equity works out to 33%, and the tax shield contributes 6%.

Based on these assumptions, on a net-of-tax basis, the depositor gets 4.80%, the business owner 19% and the bank owners 26%.

WHAT IF?

Most people will argue that the return on investment is commensurate with the risk involved. This sounds perfectly justifiable, but what if we did not have, what are essentially credit driven bubbles, through fractional reserve banking, which are the key driver of economic swings, i.e. risk? (Note2)

Also, what if the tax shield (for the benefit of a few, paid for by all the citizens), was not there – would businesses be as likely to borrow and expose their businesses to the economic cycles? If the cyclical risk generated by fractional reserve banking was removed and the businesses were not that dependent on borrowing, the equity risk would be reduced significantly, allowing a better distribution of equity ownership and the returns on the surplus for wider members of the community.

Will the absence of fractional reserve banking and the money creation through it, adversely impact the investment and the growth therein so created? Not necessarily – should the collective wisdom demand, a similar amount of fiat money, as that created by lending, to now be created by the state, to provide the investment capital. This state created money can be auctioned to business houses and banks. I had recently written an article in these pages, 'Reimagining Economics in the Pakistan Context' and am quoting excerpts from it:

- In the absence of FRB, some of the new money created, within the overall target of aggregate money supply, which is in excess of budgeted expenditure, can be auctioned to the private sector for specific development projects. It could be an inverse auction, where some portion of that auctioned money would be the purchaser's equity in the business in which it is deployed, while the rest of it would be owned by a Pakistan Sovereign Fund. All such businesses would have to be listed for transparency and governance reasons. The rest of the new money could be auctioned to banks for onward lending in the normal course of business.
- The government should do away with taxing efficiency (earning incomes/profits), and, not as a money supply managing exercise, but an exercise towards decreasing inequality, it should tax wealth, thereby

reducing the potential unearned income on that wealth (assets).

However, to ensure that there is no abuse of the auctioned funds by anyone bidding aggressively for high-risk businesses, there would be the need to ensure that the bidder contributes a significant portion of the equity, so as to have meaningful skin in the game. Also, there is no reason to continue with the legal fiction and continue providing a tax shield. In any event, it will become academic if income tax is done away with.

In the absence of the fractional reserve system, as well as by doing away with the tax shield on interest, banks would become more like mutual fund managers, where the savings of individuals would be invested in loans, as well as in the equity of listed entities that would emerge in a relatively low volatile environment. It will allow the banks to offer various risk profile-based options to the traditional depositor.

NOTES

- Fractional Reserve Banking (FRB): The normal understanding of the function of banks is that they recirculate money, i.e., take deposits of people's savings and lend this money out to borrowers, primarily for investment, but some for bridging over earnings and expenditure gap. However, this not quite how the system works. For ease of understanding, let us assume that there is only one bank in the country. When it receives a deposit, it will in turn hand over a fraction of that deposit in line with the cash reserve ratio (CRR) to the central bank. We will assume that the CRR is 10% (it is currently 6.5% in Pakistan). Now let's also assume the public has deposited 100,000 rupees with the bank, and a business wants a ten-year loan from the bank, the bank can lend upto 90,000 rupees to the business. However, the bank does not block the public's deposits for ten years. It will create a loan in the favour of the business for 90,000 without blocking anyone's deposit. The business may issue cheques in favour of several suppliers, the suppliers will in turn deposit their cheques in their respective accounts with the bank. The original depositors have their deposits intact and there are now new deposits of 90,000. The bank can once again hand over 10%, i.e., 9,000 to the central bank and issue new loans of 81,000 rupees. This process can go on and on. In real life, all money does not get deposited in banks, people keep some in cash, and of course that are several banks, but this concept of new money creation through bank lending is real.
- Credit driven bubbles lead to economic swings, making investing in businesses risky: When banks create money through lending, businesses borrow to set up new capacity or to add to existing capacity to grow their businesses if they are anticipating growth in consumer demand. As is normally observed, when the sentiment towards the economy is positive, every business tries to rush in to build the capacity and have the first mover advantage.

However, there never is enough visibility on how much capacity is being added in the system and what the exact demand will turn out to be. Typically, since everyone wants to join the band wagon, we end up with excess capacity developed on borrowed money. Sooner or later, some business cannot service the debt as there isn't enough demand for the aggregate capacity set up in the economy, this leads to bank defaults and banks start recalling loans and auctioning off whatever assets of the borrower they can lay their hands on. When loans are pulled back, it amounts to the reverse of money creation through loans, this stifles the economy, starting a downward spiral – the other end of the pendulum swing. The excessive money creation through Fractional Reserve Banking and the overreaction during negativity are the economic cycles that create risk for investors.

- **Tax-shield:** Let me explain through an example, assume party A runs a business with Rs 100,000 as capital and earns 14% of that from the business, this is Rs. 14,000, if the tax rate is 20%, Party-A will pay Rs.2,800 in tax and earn net Rs. 11,200. This works out to a return of 11.20% on Party-A's investment of Rs. 100,000. Now let us assume that Party-B does similar business but invests Rs.30,000 as his own capital and borrows Rs. 70,000 at an interest rate of 10%, the gross earning is the same Rs. 14,000 on the total of Rs. 100,000 that was deployed; however, he will pay the lender 7,000 in interest leaving a profit before tax of Rs, 7,000 or 23.33 % on his capital, on this Rs. 7,000 he will pay 20% or Rs 1,400 tax and earn a net profit of 5,600, this works out to a return of 18.67% on his investment of Rs 30,000. Please note that Party-B has paid only Rs. 1,400 in tax versus Rs. 2,800 paid by Party-A for the same business. This tax savings is referred to as a tax-shield.

The author is affiliated with the Arif Habib Consultancy – all views expressed in these pages are his own.



REIMAGINING INDUS WATER TREATY FOR FUTURE SUSTAINABILITY OF THE INDUS BASIN

Muhammad Arfan

India has requested Pakistan to make changes to the Indus Waters Treaty on January 25th 2023. However, Pakistan has declined to respond to this request. The Indus Waters Treaty was signed by India, Pakistan, and the World Bank in 1960, and it divides rights over the waters of various rivers in the Indus Basin between the two nations. While analysts have considered the treaty a bright spot in the otherwise tense relationship between the two nations, public dissatisfaction in both countries has been increasing. Moreover, this is not the first instance of India and Pakistan publicly quarrelling over the treaty.

The Indus River Basin in South Asia is one of the most intensively cultivated regions on Earth, with a rapidly growing population of 250 million people. The region is highly water-stressed, and also energy-deficient. In the absence of any international law on water, Pakistan and India have a cross-border water sharing treaty—the Indus Water Treaty (IWT)—signed in 1960. Instead of delineating amounts of water, IWT preferred to split the rivers between Pakistan and India. This narrowly envisioned treaty was influenced by the highly emotive atmosphere of the massive, violent, forced migration during partition of the subcontinent, which seeded antagonism and distrust between the separated nations. Unfortunately, seventy years after partition we are still proudly beating the same drums, which have given nothing to the region except poverty, hunger, and farmers' suicide due to the vicious cycle of debt. Climate changes pose a new threat to the survival of the IWT because it fails to resolve two issues: the division of shortages in dry years (when flows are almost half what they are on wet years) and the cumulative impact of upstream water storage on flow and hydropower generation on the western rivers. Furthermore, environmental implications of the treaty itself invite a strong critique.

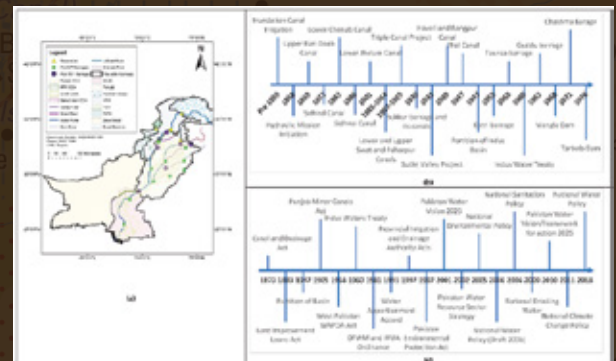


Figure 1. Physical locations of major infrastructure in Pakistan; (b) chronology of physical infrastructure intervention in the Indus Basin; and (c) chronology of soft intervention (laws and ordinances) in the Indus Basin.

Last few weeks I got a chance to visit Sutlej valley—one of the irrigation schemes built by British colonisers—for my dissertation fieldwork. Here I witnessed a once growing civilisation, now at the brink of decline and struggling to breathe. Sutlej valley canal schemes are facing severe water scarcity in extreme weather conditions; these schemes are also unsustainable because now after IWT these irrigation schemes fetched water from hundreds of miles. The Sutlej valley canal project was designed in 1925 to irrigate and support settlements in the desert area. For that purpose, the Bahawalpur state ruler allotted land to East Punjab agrarian castes—a classification done by British colonial Raj, under the Punjab Land Alienation Act 1901.

As the British left sub-continent and divided the natural Indus Basin boundary based on new political and administrative claims, the first imminent crises emerged on the

division of the Indus Basin water; during the first war over Kashmir, India cut off the water supply from its headworks from flowing to Pakistan. This unilateral decision to use control over the Eastern Rivers water as a weapon of mass destruction caused one million acres of irrigated land in Pakistan to go into drought. Pakistan's Prime Minister, Mr. Liaqat Ali Khan, considered this action as "foundational violence" and declared water as "new front of tension". This action provides a basis for the current lack of "hydro-solidarity" among the new neighbouring countries and rolled out the joint technical management proposal of the World Bank for the Indus Basin.



Figure 2. Showing a typical design of Indus Basin canal settlement. A water pond designed in the central square of each residential settlement (aka chak— numbered according to canal command distributory) for drinking purpose. People (mostly this job associated with women) fetched water from pond before electricity, but now electric motors installed by each resident and water is conveyed through pipes as shown in figures. Water pond is feed through a canal water on a weekly schedule.

Pakistan secured rights to the Western Rivers and diverted water from the Western rivers to the Eastern Rivers canal command through a massive river interlinking canal development project. On the upstream side, India built an array of water projects on the Eastern Rivers and tried their best to stop each drop of water flow in to the Eastern Rivers.

After Uri's attack in 2016, Prime Minister Narendra Modi convened a national ministry of water resources meeting and said, "blood and water can't flow together," stressing the completion of any under-developed water schemes on the Eastern Rivers so that each drop of water was utilised within Indian borders. Since 1960, when the IWT was signed, both India and Pakistan have consistently moved towards a highly conservative resource nationalism discourse to secure future water rights; with each passing day, water crises are impeding the economic development of both neighbouring nations due to the lack of cooperation. Pakistan is struggling to sustain the Sutlej Valley canal project scheme through long-distance water diversion from western rivers; a significant amount of this precious resource is lost in conveyance, consequently increasing challenges with waterlogging and salinity along these inter-rivers linking canals.



In a recent visit to Sutlej valley canal schemes, I realised how this agricultural growth model is hardly surviving, providing a meagre amount of return compared to its potential. These canal projects provide water to the country's largest export textile industry. In almost 70 years since the IWT, Pakistan policymakers have never seriously considered alternate water sources for this canal command, or how it could be sustained through a substitute route in an efficient manner with a more flexible and dynamic IWT.

Few years ago, Adriano Vinca and his colleagues performed an economic analysis and estimate that Indus basin countries need to increase investments to USD 10 billion per year to mitigate water scarcity issues and ensure improved access to resources by 2050. These costs could shrink to USD 2 billion per year, with economic gains for all, if countries pursued more collaborative policies for water sharing. These glaring economic benefits are shocking for me and forced me to think over this issue: why our policy makers are not thinking on these lines?

These sorts of economic rationales provide enough impetus for policy makers to understand that the time has come for a radical envisioning of the Indus Basin to meet Sustainable Developmental Goals (SDGs). SDGs 6.5.2 rightly emphasises transboundary cooperation because the lack of poses a massive cost in terms of economic well-being as well as global peace. Currently, resource nationalism discourse is dominated by state actors limiting the participation of multiple non-state actors for any new possible praxis of cooperation.

Unfortunately, in this regard, the IWT does not comply with the UN Watercourse Convention, 1997 Article 9 Clause I that states, “watercourse states shall on a regular basis exchange readily available data and information on the condition of the watercourse, in particular that of a hydrological, meteorological, hydrogeological and ecological nature and related to the water quality as well as related forecasts”. The IWT have a data exchange mechanism, but it is very limited in scope and also not readily available to the people at stake—water resource managers, farmers, and policy makers. The current and future sustainability of the Indus Basin under changing climate realities demands that we adjust existing water agreements and institutions for effective, equitable, and environmentally-just transboundary water governance adaptive framework.

There is a need to drag out this important discussion from the comfort of elite spaces and engage a people-to-people interaction for exploring transboundary hydro-solidarity avenues. People-to-people interaction might help construct a narrative based on common bonds of history, culture, and more importantly an eco-friendly religious faith tradition on both sides.

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RETHINKING SOCIAL PROTECTION:

The Case for a Universal Basic Income

Abbas Moosvi

Over the past decade or so, a mushrooming of social protection programs has been observed in the developing world seeking to redress market failures in areas of education, healthcare, nutrition, livelihood, and others. On the other hand, two salient pitfalls have consistently cast a shadow over these programs: a) corruption and elite capture, whereby the bulk of resources are appropriated by management/administration rather than funneled down to end consumers, and b) incentive structures, which prompt beneficiaries to orient their behavior in a manner that guarantees future rewards rather than a graduation from these welfare schemes.

According to Abhijit Banerjee, Nobel laureate in Economics for 2019, Universal Basic Income (UBI) can be a powerful tool for social uplift particularly in the developing world. With limited state capacity, weak governments find it costly to constantly update data on poverty figures and monitor beneficiaries on an ongoing basis to determine whether to approve or reject subsequent transfers. Furthermore, targeted initiatives fail to account for inequality at the micro level – for instance within families – and therefore their benefits risk being appropriated by whomever happens to be the most powerful in that context, most commonly the patriarch.

Besides their allocative inefficiency, conditional protection programs have also been demonstrated to elicit feelings of dehumanisation on the part of recipients. Vulnerable people are compelled to fill countless forms, present documentary evidence of stated claims, and navigate a complex and time-consuming bureaucratic maze in order to prove that they fall within eligibility criteria. This humiliating process prompts significant numbers of potential beneficiaries to opt out, choosing silent suffering instead.

As a response to this, the concept of a universal basic income has been proposed – with the objective being to minimize bureaucracy, eliminate rent-seeking, and place beneficiaries at the heart and center of the initiative.

UBI is characterized by five primary facets:

- **Universal:** all registered citizens over a certain age, usually 18, are eligible to receive a certain monthly payment – there are no prerequisites, including paperwork, to demonstrate ‘need’.
- **Unconditional:** UBI comes with no strings attached – and recipients are free to utilise it however they please, without having to offer justifications.
- **Cash based:** recipients are invariably paid in cash.
- **Individual:** rather than targeted at defined groups/communities, the UBI is for singular individuals.
- **Periodic:** payments are recurring, and follow a certain predefined time schedule - usually a month.

The fundamental idea animating UBI is that the nature of knowledge is diffuse, intuitive, largely unarticulated, and extremely context specific (as argued by Friedrich Hayek, another Nobel Laureate in Economics) – in other words, the constraints facing one person are always different from those of another. The consequence of this is that social protection programs that are geared to filling gaps in the market in a top-down fashion are destined to fail, as they lack adequate specificity. Indeed, pilot projects have indicated that recipients of UBI tend to adopt a wide range of expenditure choices – with benefits incurring in the form of enhanced savings, investment, borrowing, education, healthcare, marriage, reduced domestic violence, lower rates of child labor, and many more.

This suggests that individuals make decisions based on unique personal preferences and requirements – shaped by a multiplicity of factors including culture, psychology, value-systems, living conditions, and others. UBI allows them the opportunity to do so.

One of the counterarguments for UBI is the notion that poor people tend to squander the money they are given – spending them on ‘temptation’ goods such as drugs and alcohol. This is demonstrably untrue, as a comprehensive study – a literature review of 30 pieces of academic literature on the matter – has illustrated. The emergent conclusion was that contrary to spending more on these indulgences, “on average cash transfers have a significant negative effect on total expenditures on temptation goods, equal to -0.18 standard deviations.” The economics literature confirms this, and several notable scholars – including yet another Nobel Laureate, Amartya Sen – have pointed out that the process of ‘development’ can only take place if and when people have the freedom to actually participate in markets rather than merely reacting to them. This is impossible when the vast majority is stuck in a vicious cycle of economic precarity, in which it hardly has time to think about anything other than how it is going to survive until the end of the week or (if lucky) month. Genuine autonomy in this regard refers to a situation where decisions relating to employment, expenditure, investment, etc. are made not out of compulsion, in which one has to compromise on their true interests/desires at every turn, but actual free will.

Another point of contention with regards UBI, particularly for poor nations, is funding. The question of ‘who will pay for it’ is a common and reasonable one. Assuming Pakistan’s population currently stands at 250 million, of which half are over the age of 21, a total of 125 million people would be entitled to UBI. However, not all of these would ‘opt in’ – a certain proportion, say the top 50%, would not find it worth their while to travel to distribution spots (e.g. Easypaisa/Jazzcash kiosks) for the payment. That leaves around 60 million. Setting the payments at Rs. 5000 would mean a total cost of Rs. 300 billion per month. Pakistan’s fiscal budget for the year 2023-24 stands at Rs. 14,460 billion – or an average of Rs. 1,205 billion per month. Assuming the government of Pakistan is covering 50% of monthly UBI expenses, with the rest coming from external parties such as corporations, civil society, foreign donors, and the armed forces, it would have to contribute Rs. 150 billion per month to this cause. The Benazir Income Support Programme’s (BISP) annual budget for the 2023-24 period stood at Rs. 400 billion – meaning an average of Rs. 33 billion per month. Adjusting (or redirecting) this into the UBI, total monthly allocation comes down to approximately Rs. 120 billion – amounting to a mere 10% of the government’s monthly budget. This certainly falls within the ambit of possibility: especially considering that returns are virtually guaranteed in the form of accelerated GDP growth as increasing numbers of citizens have more economic breathing space. In fact, there is so much evidence for the direct relationship between cash payments and the productivity of their recipients in terms of the net effect (income generated exceeding cash transfers via increased entrepreneurship and other commercial activity) that proponents of the much respected Modern Monetary School (MMT) go so far as arguing that UBI can be entirely supported by simply printing the money, in which case it would have no

adverse impact on either inflation or the annual fiscal budget – and although promising, it must be mentioned that this idea is still in its nascent and experimental stages.

While Rs. 5000 may seem trivial, it would be a much greater amount than what is currently disbursed to families under the BISP initiative – which amounts to Rs. 8,750 per quarter, or approximately Rs. 2,915 per month. With UBI, households would be entitled to Rs. 10,000 per month – with each parent receiving Rs. 5,000 and assuming no child is over the age of 21. Programs that have been proven to be ineffective and non-conducive to structural reform – such as brick and mortar projects under the PSDP, unjustifiable levels of perks and privileges for civil bureaucrats, and runaway non-combat, non-development defence expenditures – should ideally be suspended, and their budgets reallocated to UBI. Finally, if the UBI is linked to inflation – as it ought to be – there will naturally be added pressure on the central bank to keep its rates controlled so as not to disrupt the country’s fiscal account position. On the question of funding, a careful agglomeration of key stakeholders – including government ministries, the private sector, foreign donors, and the armed forces of Pakistan – ought to devise a strategy to raise resources and direct them to the UBI pool.

An important point about disbursements of these funds is that they ought not to be placed in the category of ‘charity’ – but rather as fundamental rights for all citizens that offer a safety cushion against extreme poverty. No different to basic rights to association, free speech, and fair trial, all of which are considered necessary preconditions for a dignified life and community, UBI must be seen as a tool that raises the floor of society: uplifting the most disenfranchised and offering them the opportunity to graduate from the endless cycle of economic destitution they are trapped in. This is in line with the thoughts of eminent political philosopher John Rawls, who defined true ‘justice’ as a situation where the lowest tiers continually experience improving conditions due to socioeconomic policy being geared towards their betterment first and foremost. He presented his thoughts via the thought experiment of imagining oneself behind a ‘veil of ignorance’ – in which no information is known about one’s own identity or their place on the economic ladder. Rawls argued that most people approaching this hypothetical predicament in a rational manner would naturally assume the worst, i.e. that they were born into the most adverse conditions and lend strong support for policies geared towards addressing their grievances and allowing them a platform to climb the social ladder via grit, creativity and innovation.

UBI will also democratise the process of development and rebuild the damaged sovereignties of nation states in the developing world – which have fallen prey to the sociopolitical and economic agendas of international financial institutions and multilateral donor agencies in pursuit of aid. As people are economically empowered through UBI, a strengthening of civil society will be observed: triggering a shift away from top-down policies

in favour of bottom-up variants that are more in line with ground realities rather than theoretical considerations or the opportunistic objectives of those in power. For instance, it is fairly well established that the process of urbanisation in Pakistan today takes a perverse, borderline coercive form in which people are compelled to abandon their deep roots (cultural, familial, communal, etc.) in favour of big cities, largely as a result of rural poverty via exploitation from big landlords who they are frequently in bonded labour for. UBI can, and likely will, address these entrenched systems of oppression and allow for more choice for landless peasants and the larger labouring class in the countryside. It is also well known that one of the primary reasons for women tolerating abusive behavior from their husbands is due to direct dependency on them for resources/income. UBI will disrupt these unequal relations within the household, offering mothers more of a role in decision making and increasing aggregate expenditure on education for children – triggering a cycle of long-term investment in human capital. Also, UBI will directly curtail population growth in Pakistan. One of the primary reasons for high birth rates is poverty – whereby couples continue to have children in response to high infant mortality (due to lack of access to healthcare) and the desire to supplement household income via child labour, both of which will no longer remain relevant in the presence of UBI. A controlled, and eventually shrinking, population will naturally mean less stress on aggregate resources – and also reduce the number of people choosing to opt into the UBI program over time. In any case, however, increasing numbers of people will obtain official registration in the form of CNICs (which they are required to present while receiving their payments), which will lead to a cascading effect in the form of enhanced trust in the state, higher levels of participation in electoral cycles, and much more effective public policy that is based on more accurate census figures. This will function to lay the groundwork for bottom-up, sustainable reforms that not only protect the most vulnerable but incentivise them to leverage their human capital for self-empowerment as they are freed of sustenance-related concerns.

Initial phases of this idea can take the form of conducting pilot tests in select districts that are identified as the most ‘vulnerable’ by using certain metrics such as out-of-school children, pervasiveness of extreme poverty, women labour force participation rates, etc. A national think tank such as the Pakistan Institute of Development Economics can be made in charge of running these assessments, monitoring them, and evaluating their impact on a monthly basis. Once certain patterns have been established in terms of how recipients are utilising their payments, the program may gradually be rolled out to regions that are relatively better-off – until the entire nation is covered under its ambit.

Effective socioeconomic policies are always those that trigger the initiation of positive feedback loops, in which the benefits in one domain inevitably spill over into others. UBI will disproportionately benefit the most vulnerable, allowing them to quit dead-end jobs that are hampering their development, allow for more

leisure time to spend on creative hobbies, improve general mental health across society, and foster a happier, more stable polity in which citizens are not constantly pit against one another in a hyper-competitive, cutthroat economy. The fulfilment of basic needs will offer them the time to reflect upon their interests, desires and aspirations – in turn allowing for a reorientation towards self-actualisation, whereby their unique talents and cognitive acumen are cultivated. When individuals focus on what they are competent at and genuinely enjoy, they are in a much better position to make substantive contributions to society. All this is even more important in the context of emerging technologies around the globe such as artificial intelligence, which are certain to trigger the total annihilation of a plethora of jobs in the future: leading to mass unemployment. A well-thought out and effectively executed UBI program can not only act as a safeguard against these dangers but also foster the social and intellectual capital to generate dynamic solutions to them as they arrive.

None of this is a pipedream. Indeed, countless regions across the world have experimented with various forms of unconditional cash transfers – including Manitoba in Canada, Alaska in the United States, Brazil, Mexico, Namibia, Kenya, Uganda, Iran, India, and even Pakistan – all with significant (and measurable) positive outcomes that disprove all the common myths about UBI. These include the notion that money will be squandered, aspirations will be killed, inflation will skyrocket, the government will fail to fund it, and so on. For further reading on the topic, readers may enjoy an extensive Subreddit¹ dedicated to it which covers everything from success stories and counterarguments to funding strategies and ideological positions on the phenomenon.

With Universal Basic Income, the sky truly is the limit.

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¹The Basic Income Community on Reddit
https://www.reddit.com/r/BasicIncome/wiki/index/#wiki_that.27s_all_very_well.2C_but_where.27s_the_evidence.3F



HISTORÿ

WHY TEACH CRITICAL HISTORIES



Hafsa Khawaja

All across the world states attempt to shape nations by constructing a national history to give people the sense of a shared past which defines their national ideology and identity. Given its value to the task of nation-building, the mechanism and exercise of the state construction of history is not an uncommon practice nor does it inherently constitute a problem. However, the nature of that constructed history and its implications may often be hazardous for a country's health.

At our end, the state's designation of Pakistan Studies as a compulsory subject which has to be taught from school to university similarly encapsulates the importance of history for the project of nation-building. The Pakistani state's ideology of nation-building situates itself in an overarching official imagination of Islamic identity, the Two-Nation Theory, and Urdu. Consequently, state-sanctioned narratives of history remain tethered to this ideological vision and are cultivated to support it by excluding, erasing, and denying significant but unpalatable events or inconvenient facts which do not fit this framework. The late Iqbal Ahmad consummately captured the perils to history here when he wrote, "I do not know of any country's educational system that so explicitly subordinates knowledge to politics.

Teaching and writing of history, always in jeopardy in Pakistan, has now passed from historians to hacks.¹ In addition to the production of sanitised and ideologically-driven historical accounts, the Pakistani state maintains a nearly paranoid monopoly on the narration of history by surveilling, demonising, and censoring alternate narratives as 'anti-national' or 'anti-state'.

The results of this have been twofold. Firstly, the state has installed official history in Pakistan as history with a capital H: the sole, authoritative, definitive truth of the country's past. Secondly, an entire populace has been indoctrinated with ignorance, chauvinistic nationalism, and a myopic conception of nationhood which is rooted in a uniformity of identity that negates the reality of Pakistan's rich multi-ethnic, multi-religious, and multi-cultural character.

While completely overhauling Pakistan Studies might not be immediately possible, there is a way to circumvent its limitations and overcome its outcomes.

¹Ahmad, E. (1995, June 4). Pakistan's Endangered History. DAWN. Retrieved from <https://eacpe.org/content/uploads/2014/04/Pakistans-Endangered-History-.pdf>

This is where critical histories come in. Teaching critical histories is a pedagogical approach that interrogates the uneasy relationship between history and the writing of history. When it comes to Pakistan, this interrogation focuses on the narrative of the past and its production by the state. Rather than simply imbibing predominant historical narratives established by the state, it assumes a broader lens of analysis which seeks to identify and investigate the intersections of power and ideology involved in crafting these narratives, the assumptions that undergird them, the contradictions they give birth to, the ideas that they advance by writing history in a particular fashion, and the silences lingering within them.

This investigation is crucially guided by and geared towards ethical questions raised by historical and contemporary inequalities, injustices, and inequities of ethnicity, religion, gender, class, and postcoloniality in Pakistan. Furthermore, it challenges state control over the historical narrative by introducing a multiplicity of histories, especially subordinated histories of marginalised peoples and groups, such as women and the working class, whose voices have been subsumed or excised from the state's carefully curated chronicle of Pakistan's past. Parallel to this, it also probes why these voices have been left out or remain absent in the first place from the history written and told about the country.

However, when we speak of the word 'critical' it does not necessarily always mean critique. Instead, it refers to a critical appreciation of the past which sees it for both its strengths and its weaknesses, its triumphs and its tragedies, its pitfalls and its promises, the ones realised and the ones left behind.

The starting point for this is looking beyond the master narrative of history written by the state and to scrutinise it: what does it say, what does it not say, what is its message, and why?

A few examples may suffice in demonstrating this.

It is widely taught and believed that Pakistan was made by the Muslims of the subcontinent to be able to live peacefully and practice their faith freely. Critically teaching this would involve the knowledge that this was but one conception among countless competing and evolving ideas of what Pakistan should and would be like among different groups who supported its creation. However, since the idea of Pakistan being made in the name of Islam acquired preponderant influence in the country, the origins of the nation are stretched to Muhammad bin Qasim whose arrival in the subcontinent is asserted as the arrival of Islam and Muslim ascendancy in the region. This would warrant several strands of inspection: what connection, if any, does Muhammad bin Qasim have with the nation-state of Pakistan? Why has this connection been drawn by the state in the story about Pakistan's origins? What is this association supposed to suggest about Pakistan's foundation and identity?

While an 8th century Arab military commander has even been cited as the 'first Pakistani'² in one of our official history textbooks which was originally published in 1979, the role of individuals who were instrumental in the creation of Pakistan but were from religious minorities has been effaced. It is important to include and educate students about Jogendranath Mandal, who was Dalit and Pakistan's first Law Minister; about Zafarullah Khan, who was an Ahmadi and Pakistan's first Foreign Minister; and about Dewan Bahadur Singha, who was a Christian leader and backed the demand for Pakistan. These personalities were an integral part of the Pakistan Movement and they too are the founding fathers of the country, yet they are invisibilised as they contest the neat equation of Muslims, Islam and Pakistan which state nationalism contains and promotes in the story of the country's creation, its ideological essence, and identity.

Their erasures from the national historical narrative are harmful since they inculcate ignorance about how communities of various faiths, regions, and ethnicities have always been a part of the fabric of this land and known it as their rightful home; and how many of them made Pakistan a concrete reality in the hope that it would be an egalitarian state which would be truly free from oppression and would wholly embrace them. Coupled with the singular emphasis on the Islamic origins or Muslim leaders of the Pakistan Movement, these erasures give rise to the understanding that Pakistan was solely made by Muslims for Muslims. Not only is this characterisation of Pakistan's creation disingenuous, but it establishes a false primacy of entitlement, rights and belonging among the majority at the expense of the minorities. This is where these erasures contain potential to fuel bigotry and intolerance against religious minorities which, at worst, are weaponised for discrimination and violence.



²Ahmed, M. (2016). Introduction. *A Book of Conquest: The Chachnama and Muslim Origins in South Asia* (pp. 7). Harvard University Press.

Another example is that of the Partition which is largely presented as the dawn of freedom symbolised by Pakistan's attainment of independence. This narrative never neglects the violence unleashed on Muslims migrating to Pakistan, but what ought to be brought into this conversation is the scale of sexual violence enacted on women during the event. It is only when we study the experiences of women on both sides of the border that the convenient block-compartmentalisation of villains and victims, done by both nationalist histories in Pakistan and India, is disturbed. Women from all communities were attacked by men from other communities, including the men on this side as the mass suicides of Sikh women in Thoa Khalsa evidence. If we earnestly acknowledge the full degree of violence women had to suffer during the Partition, it would be an inescapable realisation that gender-based violence is neither new nor non-existent in Pakistan; in fact, it is implicated in the very making of the country. Considering women's experiences during the Partition also highlights how the writing of history is often prejudiced by forces such as nationalism and patriarchy. What happened to women during Partition shows that while indeed 1947 marked the inauguration of hard-fought independence, it equally marked a terrifying miscarriage of humanity. Both of these descriptions about the Partition are true and can be held together at the same time.



Besides teaching silenced histories, critical histories also vitally concern critical thinking. The state's sanitized historical narrative flattens out the complexity and layers present in the past to offer a version of it which is black and white and one-dimensional, leaving scant space for nuance. This stunts students' intellectual capabilities and skills which leads to a blinkered view of Pakistan and its past.

On the other hand, teaching history critically dismantles such dichotomous modes of understanding and opens their thinking to a greater breadth and depth. By adapting them to the concept that the monopoly of historical truths is the problem and not their multiplicity, it equips students to meaningfully question hegemonic narratives, dispassionately engage with different perspectives, grasp nuances, get comfortable with complex ideas, and discover grey areas.

But perhaps the most urgent reason for teaching critical histories in Pakistan can be found in the recent turmoil. Unvarnished histories are both a sight and an insight which enable us to identify the underlying trajectories, reasons and realities of the politics, institutions, ideas, interests, and the precedents at play in the present. They have the cardinal civic function of converting the populace from passive observers to critical thinkers and active citizens who learn from their yesterdays and push for a better tomorrow. History possesses immense power and possibility which is why states seek to command its narrative. But whether it forges or fragments a nation depends on how truthfully and faithfully it is written, read, and remembered by them.

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DANIEL ELLSBERG AND THE PENTAGON PAPERS

Naazir Mahmood

The whistleblower who exposed the extent of US involvement in the Vietnam War died aged 92 in June 2023. Daniel Ellsberg was a former US military analyst with access to top secret papers that he made public in 1971. He became the ‘most dangerous man in America’ and faced a Supreme Court case as the Nixon administration tried to block the publication of the Pentagon Papers in the New York Times.

But first some context is in order. The mainland of Indochina comprising Cambodia, Laos, and Vietnam had remained under French control since the late 19th century. As the Second World War escalated in 1940, Japan occupied this region which remained under its control until the end of the war. After the defeat of the Japanese imperial forces in 1945, ideally the countries of Indochina should have become independent, but first the French and then the US forces prevented full grant of independence to these countries. From 1945 to 1955, the French forces were actively fighting against the freedom fighters who were mostly Communists.

The US assumed the role of an international champion of democracy and to prevent Indochina from falling into the hands of the Communists supported anti-Communist fighters. So, right from Presidents Harry

Truman and Eisenhower to John F. Kennedy and Lyndon B. Johnson, all US administrations were involved in the Indochina war one way or another. John F. Kennedy promised to deescalate the war but after his assassination the new president, Lyndon B. Johnson, continued and in fact enhanced the US involvement while lying to the public.

From 1961 to 1968 the US secretary of Defence was Robert McNamara. After 1965, McNamara realised the futility of the war and commissioned a report to analyse US decision making in Indochina. Daniel Ellsberg was one of the authors of that report who became increasingly skeptical about the US administration’s policies. He made photocopies of nearly 7,000 papers and released them to the media in 1971. When the Nixon administration filed a case against Ellsberg, the court dismissed espionage charges against him. Daniel became an icon of truth-seeking and an anti-war activist who inspired countless activists, followers, and journalists including Chelsea Manning, Julian Assange, and Edward Snowden.

Ellsberg remained a tireless critic of the US government’s military interventions and overreach. Interestingly, in the mid-1960s when he was in his 30s, Ellsberg

emerged as a bright young fellow, a staunch anti-Communist and supported the war effort. He advised the White House on nuclear strategy and assessed the Vietnam War for the Department of Defence. When he leaked the Pentagon Papers to expose actions the US had been taking in Indochina, he took a major risk. Ellsberg had learned during his association with the Department of Defence and Rand Corporation that the US policy was a pack of lies.

His association with war efforts weighed heavily on his conscience and he wanted the public to know what was actually happening in Indochina. He thought if only the public knew, there would be increased political pressure to end the war and the government would not be able to resist the public demand. The release of the Pentagon Papers exposed deceptions by successive US governments which had no solid rationale to waste public money on killing hundreds of thousands of people across thousands of miles. The papers contradicted the statements that successive US presidents and other high-office holders had been making for decades.

The publication of these papers made damning revelations and helped bring an end to the conflict. Ultimately, this also contributed to President Nixon's downfall. For this daring act, many observers still consider Ellsberg as 'the grandfather of whistleblowers' as his intervention radically changed the public opinion against the war. Though the Nixon administration filed a case against him, it set a precedent and since then no US government has tried to injunct a paper on security grounds. The New York Times was the first newspaper to publish the Pentagon Papers creating a First Amendment clash between the Nixon administration and the press.

The newspapers did not carry the Pentagon Papers in their entirety as in the absence of page numbers, their sequence was not clear. The New York Times and then the Washington Post developed stories based on those scattered pages. Still, the government officials considered it as an act of espionage that compromised national security. The best outcome of the entire episode was that the US Supreme Court ruled in favour of the freedom of the press. The federal court in Los Angeles did charge Ellsberg in 1971 with conspiracy and espionage, but before the jury could reach a verdict the judge threw out the case.

Actually, during the case the Nixon administration functionaries barged into the office of Ellsberg's psychiatrist to get hold of information about Ellsberg's mental issues. This was a gross misconduct and when the court came to know about it, the judge cited serious government misconduct including illegal wiretapping. The Nixon administration also tried to influence the judge by secretly offering him the job of FBI director. But the most important misconduct was a government-sanctioned burglary into the office of Ellsberg's psychiatrist. It is perhaps worth-noting that Ellsberg was also a Marine Corps veteran with a Harvard doctorate in economics.

In later years, Ellsberg moulded many young activists and journalists by asking a simple question: "Who gets to define the national interest?" This is a primary question that all advocates of freedom of expression must ask. Is it some admin officers, the establishment, and the government that arrogate to themselves the sole prerogative to define national interest? Or the people of conscience that should be able to expose the lies and misstatements that the establishment and successive governments pedal year after year? Should we continue our quest to hold the establishment and successive governments accountable or should we toe their line?

Let's take the example of Julian Assange whose organisation published more than 700,000 confidential diplomatic cables, documents, and videos that a US Army intelligence analyst provided in 2010. If we get to know about governmental lies should we get the information out? When Ellsberg copied the Pentagon Papers in 1969 he knew that this act might land him in prison for life. In countries such as Pakistan, a conscientious journalist like Saleem Shehzaad loses his life and the likes of Absar Alam and Hamid Mir become victims of gunfire attacks. Journalists such as Asad Toor, Matiullah Jan, and Umar Cheema have faced abductions and torture.

Not many can accept this likely fate gladly. Is whistleblowing worth the risk despite knowing that the establishment or government is not being honest with the public? Perhaps it depends on the level and magnitude of the catastrophe at hand. When millions of people have suffered as a result of the lies perhaps the risk is worth taking; but again, not many have the guts to challenge the dominant narratives no matter how misleading they may be. Even a small exposé can have a lasting impact, but who knows the price one has to pay for such daring acts as some of the journalists mentioned above have paid.

Even a small chance of having a small effect is worth taking as these small contributions make a greater impact. In some cases, it is obligatory to take a chance. Ellsberg hoped that his leak would end a long and costly conflict, and while it took some time but his hope was ultimately fulfilled. The Pentagon Papers have left a lasting legacy, and those who want to know more about this episode may watch a brilliant film by Steven Spielberg 'The Post' (2017) starring Tom Hanks and Meryl Streep as the editor and publisher respectively of The Washington Post.

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BUSINESS





THE CASE FOR EXPORT-LED GROWTH

Shahid Sattar and Sarim Karim

Pakistan's development history has been in a state of crisis for decades. One major factor underlying this struggle is an imbalance in the Balance of Payments that can only be corrected through enhanced foreign exchange earnings via exports. Currently, the economy relies on unsustainable sources such as remittances, foreign loans, and tariffs, along with indirect taxes, to support a heavily import-based economy. Pakistan is among the seven most trade-averse countries in the world, with the highest average tariff among 70 countries, and there is a strong inclination toward import substitution in its economic policies. Industries such as automobile, fertilisers, and capital inputs are protected with tariffs as high as 500% on imports. Pakistan's adherence to this protectionist model has not provided solutions to the various macroeconomic crises, including an unsustainable debt burden, high inflation, and increasing poverty.

Export-led industrialisation is a development strategy that aims to expand trade in goods for which the nation has a comparative advantage. This model involves developing export surpluses in sectors with a comparative advantage. An orientation towards exports has proven successful worldwide, from Singapore to Rwanda. Exports provide revenue that stabilises an economy, balances budgets, and funds structural transition towards industrialisation. Secondly, exports facilitate a 'learning by doing' approach, whereby producers and policymakers gain expertise through competition with the international market. These externalities form the foundation of export-led development. Pakistan stands to gain immensely from prioritising its export sector, as its expansion guarantees higher economic growth rates, greater employment, fiscal stability, and a range of positive externalities explained below.

1. Rising exports have a positive impact on economic growth, as evidenced by the global average of GDP growth rates increasing by 1-2% after the trade liberalisation waves following the establishment of the WTO.
 - In the case of Pakistan, the country experienced its highest growth rates during periods of rising exports, with exports playing a significant role in determining growth.
 - The World Bank identified exports as a significant factor behind Pakistan's recovery after the contraction of the economy in 2019 due to the pandemic.
2. As a result of export growth, average incomes and wages experienced a substantial increase ranging from 10% to 20%.
 - Since 1990, export growth has played a crucial role in raising average incomes by 24%.
 - For the poorest 40% of the global population, trade has had an even more significant impact, leading to a 50% increase in their incomes.
3. Exports and trade openness have an effect on reducing prices.
 - When countries engage in trade, resources are allocated more efficiently, avoiding the wastage of producing goods that require scarce factor inputs.
 - Exposure to more competition also drives prices down.
 - According to a 2020 study by the World Bank, 45 out of 54 countries examined experienced a decrease in consumer prices as a result of trade, indicating the positive impact of trade on prices.
 - This effect is particularly strong on food and agricultural products.

4. Export-led development plays an instrumental role in alleviating poverty. Over the past three decades, there has been a significant increase of 15% in the share of developing countries in global trade since 1990.
 - This increase has coincided with a remarkable reduction of global extreme poverty by half. The correlation between the expansion of trade opportunities for developing countries and the substantial reduction in poverty levels highlights the effect of trade in poverty alleviation efforts.
5. There is a strong connection between employment and export-led growth, as they are interrelated.
 - Increasing exports have the capacity to create jobs across all segments of the market.
 - Pakistan's major exporting industry, textiles and garment production, is also its largest employer.
 - Notably, an OECD study conducted in 2012 revealed that openness to trade is associated with improved working conditions compared to protectionist measures.
 - This suggests that trade openness promotes better employment opportunities and fosters favorable working conditions, emphasising the positive relationship between trade and labour markets.
6. Competition stimulated by exports leads to the expansion of competitiveness and productivity among local producers. When domestic producers are exposed to international competition, they are encouraged to innovate, improve efficiency, and enhance the quality of their products.
 - The presence of foreign competitors in the market drives local producers to adopt more advanced technologies and practices, ultimately boosting their competitiveness.
 - As a result, increased competitiveness leads to higher productivity levels among local producers, benefiting both the domestic economy and consumers who receive better quality, lower prices, and greater variety.
7. Commitment to export-led growth and subsequent liberalization of trade barriers generates an increase in foreign direct investment (FDI) and other forms of investment.
 - This is primarily because trade liberalisation removes barriers such as tariffs and controls that hinder capital flows. When these barriers are eliminated, countries become more attractive for investments, as investors are encouraged by the ease of doing business and the potential for market access.
 - Furthermore, supply chain integration plays a significant role in motivating technology transfers and investment. As countries integrate into global supply chains, they gain access to advanced technologies and expertise from their trading partners.
 - This exchange of knowledge and technology fosters innovation and promotes investment in industries that can take advantage of the integrated supply chains.
8. Exports lead to diversification, enhancing economic resilience in the face of external shocks.
 - Through trade, countries can expand their markets and reduce dependence on a single market for revenue. This diversification helps mitigate the risk of volatility and demand fluctuations by spreading economic activities across multiple markets.
 - Moreover, diversification also extends to product diversification, where countries are no longer reliant on a narrow range of products to generate revenue. By diversifying their product offerings, countries become more resilient against supply shocks and are better equipped to handle disruptions in specific sectors.
 - This diversification also promotes the expansion of production capabilities and increases the overall competitiveness of the nation.
9. Exports play a significant role in fostering fiscal stability for countries.
 - Export earnings generated through trade can be utilised to service foreign debt obligations and cover the costs of importing goods and services.
 - By promoting exports, countries can generate a surplus in their balance of trade, which helps balance the current account deficit.
 - In the case of Pakistan, increasing exports can help address the current account deficit challenging the country.
 - By expanding its export base and improving trade performance, Pakistan can earn foreign exchange that can be utilized to address the deficit, reduce dependency on external borrowing, and enhance fiscal stability.
10. Exports facilitate various aspects related to technology and knowledge transfers, skill sharing, adoption of new technology, and incentives for innovation.
 - Through trade, countries have the opportunity to exchange technologies and knowledge with their trading partners.
 - This transfer of technology can occur through direct investment, licensing agreements, or collaborative research and development initiatives. By engaging in trade, countries can learn from each other, acquire new skills and knowledge, and apply them to their own industries.
 - Trade also serves as a platform for skill sharing, as it creates opportunities for workers to gain exposure to different work practices, technologies, and management techniques. The interaction between workers from different countries and companies fosters the exchange of skills and expertise, leading to the development of a more knowledgeable and skilled workforce.
 - Additionally, trade encourages the adoption of new technologies by exposing domestic industries to foreign products and processes. As countries import goods and services that incorporate advanced technologies, they are prompted to upgrade their own technologies to remain competitive. This adoption of new technology enhances productivity and efficiency in domestic industries.

- Furthermore, trade provides incentives for innovation. When companies compete in global markets, they are motivated to innovate and develop new products, processes, and services to meet the evolving demands of customers worldwide. The pressure to stay competitive drives companies to invest in research and development, leading to technological advancements and innovation.
11. Trade has enabled the global dissemination of technologies important for ecological sustainability.
- It connects countries, facilitates knowledge sharing, and encourages innovation in the renewable energy sector.
 - Technology that was prohibitively expensive or advanced has become available due to trade.
 - Trade promotes quality improvement and environmentally friendly practices among local producers by enforcing international sustainability standards.
12. Export growth fosters increased female labour force participation through the creation of new job opportunities.
- The ratio of employed women to the total population rose to over 20% since 1991 as a result of trade liberalisation, according to the World Bank.
 - Additionally, trade has enabled more women to transition from informal and domestic labour into the formal sector, providing them with better working conditions and greater economic empowerment.

It should be clear that export-led growth offers a sustainable and equitable model for Pakistan's economic development. However, without implementation none of the reforms, policies, or plans will generate results. For example, the GoP introduced the Regionally Competitive Energy Tariff (RCET) in 2018 and quickly reneged on it merely four years later. The textile sector's investments into increased capacity, expansion, and over USD 5 billion in R&D were suddenly rendered moot. The four years of export growth could not be translated into development due to inconsistent implementation of policy. Similarly, Pakistan has thrice attempted to reform its railways since 2018, and failed to follow through on any of its proposed acts. The issue of half-hearted implementation reduces investor confidence, and prevents exports from being able to actualise their growth potential.

The nation must orient towards export-led growth. Trade benefits all members of society through employment, income, and reduced prices. It fosters structural transition via enhancing innovation, knowledge capital, and easing access to green technology. Exports are also responsible for fiscal stability, balancing current account deficits, and improving foreign exchange. These benefits can no longer be ignored as Pakistan attempts to navigate its contemporary economic turmoil. Only by embracing an export culture and actively pursuing export growth can the nation achieve the outcomes it desperately needs.

The authors are affiliated with the All Pakistan Textile Mills Association (APTMA).





BEYOND THE NEEDLE AND THREAD: WOMEN'S EMPOWERMENT THROUGH TEXTILE EXPORTS

Shahid Sattar & Sarim Karim

Women hold up half the sky, but whether they are compensated for this effort in Pakistan remains questionable. As of last year, Pakistan stood only above Afghanistan as the second-most unequal country along gender lines in the world (WEF, 2022). Women face disproportionately higher risks of poverty, financial and economic exclusion, and unemployment (PPAF, 2013). However, exports and economic growth offer a glimmer of hope in an otherwise bleak scenario. All evidence points to export-led growth, especially within textile and apparels, majorly aiding women's development too. Analysis of both historical trends and contemporary data reveals a nexus between gender, export growth, and economic development. After all, women comprise half of the population, and therefore failure to emancipate them leaves half of a nation's human capital and labour underutilised. Including women in development creates new opportunities for innovation and intellectual development, once their unique experiences are incorporated into workplaces and industry. All successful developed countries have valued women and their significant contributions. The argument that follows posits that it is necessary to include women in economic growth and export-led development is the most effective means to do so.

First, an illustration of women's economic situation in Pakistan will help to contextualise the need for development. Among numerous indices of gender inequality, such as the aforementioned Gender Gap Report from the World Economic Forum, Pakistan performs poorly. 33.6% of girls are out-of-school, and 46.5% of women are illiterate. Women make up 75% of the absolute poor in Pakistan, according to the Pakistan Poverty Alleviation Fund (PPAF). Despite this, they remain essential components of the nation's economy. In agriculture especially, where 76% of Pakistani women find employment, and female labour makes up a higher

proportion of the workforce than male labour. Additionally, 30% of industrial workers in textiles are women, with almost half of Faisalabad's 1.3 million workers being female labour (Ansari, 2023). A major driver of gender inequality has been Pakistan's protectionist structures. A World Bank study of 54 countries found that tariff protections depress the real incomes of women, and disproportionately hurt their consumption (Artuc et. al, 2021). This is because the majority of female-oriented and marketed products in Pakistan are imported, as well as because women spend more of their budget on agricultural products. Men also earn more income from agricultural labour as compared to women, even though women make up the majority of the labour force in agriculture. The study concluded that tariffs hurt women disproportionately more than men, and that lifting tariffs would raise real incomes for women by 2.5%.

Gender parity as a development goal is essential for four key reasons. Firstly, there is an undeniable moral component. Women comprise half the population and are equally deserving of inclusion in growth. One's capacity to innovate, be productive, and contribute to the economy has no correlation with one's gender. Secondly, gender gaps in the labour market (e.g wage differentials, discrimination in advancement, exclusion from specific sectors) and low female labour force participation rate result in total income losses as high as 27% of GDP (Cubenes and Teignier, 2012). Thirdly, the case studies of many countries have shown a strong link between a rise in female employment leading to a decrease in fertility rates. Pakistan is currently struggling with overpopulation, and women often find their capacity for work and education minimised once they have a child. Expansion of employment and education opportunities for women reduce these phenomena. Fourthly, a 20 year study in Bangladesh found that female employment

caused by export expansion generated a larger rise in educational enrollment than the Bangladeshi government's biggest education subsidy (Heath and Mobarak, 2012). Therefore, there is strong evidence to suggest that gender equity is a valuable goal, and exports are a means to achieving it.

Openness to trade has been particularly beneficial for women. Trade liberalisation is responsible for increasing female employment to 20% since 1991 (World Bank, 2020). Export growth has also aided female entrepreneurship, as approximately 50% of Pakistan's women-owned or women-managed companies are in the textile exporting sector (Lopez-Acevedo and Robertson, 2016). Women have been responsible for the introduction of several value-added textile products since 2015 which have benefited both the domestic and export market (Zahid and Kamarudin, 2019). Export-led growth has also created opportunities for advancement amongst women. For example, universities across Pakistan like NCA, Punjab University, and the Millenium Colleges have established departments specifically focused on textiles in response to the growth of that industry. These departments build various skills from design to management. A survey of these institutes found that 88% of textile design students are female, with some universities like Gujarat University having enrollment as high as 94% female students (Zahid and Kamarudin, 2019). These results show that women pursue skill acquisition given the conditions to do so, and textiles are an inclusive sector for their advancement. Within the industry, women have found success in positions as designers with 75.5% of designers in textiles being women (Zahid and Kamarudin, 2019). Out of the 15 surveyed producers in East Punjab, 11 producers had over 60% of their design and practitioner staff comprising women. These uptakes in female enrollment and employment coincided with the growth of the textile industry and exports post-2000. Pakistan's admission into the EU's General System of Preferences Plus (GSP+) also bodes well for gender parity, as ratifying conventions on equality is a requirement for membership.

Historical precedence explains the link between gender parity and export growth. In fact, despite the successes listed above, Pakistan is still an outlier compared to its South Asian competitors like Bangladesh, India, and Sri Lanka who have all seen greater gains for women coinciding with greater export growth (Lopez-Acevedo and Robertson, 2016). Pakistan has failed to fully harness its export potential and therefore has stunted its women's potential too. A study in 2022 explored the experience of Bangladeshi women employed in the textile export sector, using interviews and statistical data on income growth and financial asset growth. It found that women attained financial independence, empowerment, and social mobility due to paid employment (Mamun and Hoque, 2022). The proportion of bank accounts opened in a woman's name rather than joint accounts opened under a husband's name also grew in Bangladesh as exports expanded. This implies a growing level of financial literacy, allowing many women to buy plots of land, and begin schooling for themselves or their children.

Furthermore, their contribution to household budgets gave women the leverage to negotiate greater respect and autonomy amongst their communities (Mamun and Hoque, 2023). In Pakistan, only 13% of women have bank accounts, which aggravates poverty and maintains cycles of dependency between women and men (Joles, 2023).

Empirical research into labour market trends among South Asian exports also explains why textile exports are specifically good for women. Firstly, textile and apparel exporters have more elasticity with regards to exports than other sectors. This implies that textile and apparel have a larger potential for generating employment in response to a rise in exports than other sectors. Much of this is due to the labour-intensive nature of this industry, paired with low-skill requirements for labour to find employment in it (Lopez-Acevedo and Robertson, 2016). Meaning that women without education or only agricultural work experience are still able to find work in textiles. Second, the export elasticity for labour demand across South Asia was higher for female workers compared to their male counterparts. Thus implying that female workers are more likely to benefit from the employment generated by textile export growth (Lopez-Acevedo and Robertson, 2016). With an abundance of historical, theoretical, and empirical evidence to support the pursuit of exports as a means to gender parity, Pakistan must orient itself towards export-led growth.

Unfortunately, the nation's export industry is witnessing a reversal of gains. Surveys show that the number of female employees in the exporting sector has been falling due to a contraction of the industry and its export potential (Zahid and Kamarudin, 2019). Similar problems are faced by women workers in Faisalabad's textile industry. The 'Manchester of Pakistan' provides jobs for hundreds of thousands of women, many of whom travel from rural areas because they lack other sources of income (Ansari, 2023). The reversal of the Regionally Competitive Export Tariff (RCET) paired with withdrawn exemptions on gas and electricity bills, has placed a massive cost burden on exporters, who must make difficult decisions between layoffs, shutdowns, or decreasing capacity in order to sustain themselves. Women workers suffer in this scenario, as factory closures cause unemployment and threaten to return them to poverty.

To harness the potential of both growth and gender parity, Pakistan must prioritise exports and address the challenges faced by its textile sector. Evidence shows that export-led development offers a solution to Pakistan's numerous crises, from its imbalanced Balance of Payments, to unemployment, and gender inequality. The current supply-side initiatives are not enough to address these concerns, and measures like increased tariffs and taxes are actually driving women further into poverty rather than helping them. It is therefore imperative for Pakistan to motivate export growth and use it as a tool for addressing its internal issues rather than wasting its potential and sacrificing the livelihoods of its people.

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•• SPORTS



A FIRESIDE CHAT WITH ZAINAB ABBAS

What did you make of the recent series with Afghanistan, in terms of standout performers, squad selection, and areas for improvement?

I grew up in a joint family system, so I was surrounded by a lot of people. We had two adjoining houses where we had our extended family without a wall in between, so you can imagine the amount of people sort of living together and growing up together. And it was a very fun loving, entertaining environment that we were provided with. And I think because I was surrounded by boys, all my cousins were boys, and that it was a predominantly male household, sport was something which was very much part of our lives. It was something that united the family. We would watch all the cricket matches. There was a bit of football, all the tennis Grand Slams were broadcasted on our television screens and we used to follow all of it. So I think because cricket was the biggest sport in the country and my father used to play cricket while he was growing up, he went to, you know, he went to that length where he played first class cricket and, you know, he's played against some of the greats of the game. Sunil Gavaskar, I think, toured here and he's played against him. And he was somebody who was a left handed batsman and reasonably decent leg spinner – or so I get told by all his peers. But then that is something that didn't really translate into his profession from there onwards, because that's just how life had it for him.

So I think it was very much in my genes that I carried from him. And then my mother was also a cricket fanatic. Not many people know that. She really knew her numbers and she really knew a lot about the cricket team. And growing up, she was as crazy about the sport as I was. It's another thing that her career changed and she didn't get that much time to follow it to that level. But anyway, my point being that my environment and the kind of childhood I had was very much dominated by sports. We used to play outdoors just in our driveway. Cricket used to be something that was always there. It used to be all the cousins, the staff members, and so on. We somehow managed to put up an eleven. I was at best a very good fielder. I don't think I played the sport particularly well, but I've gotten the opportunity to talk about it, something which is certainly a privilege. So yeah, I think that was that. I had a keen interest in watching movies and films and dramas and it was pretty much a mix of everything.

It was just a very fulfilling childhood, I would say. And as far as getting into the world of cricket, I think while I was growing up, with the passage of time, I realised that this is something that I am really, really getting into. When you're watching a side game between Zimbabwe and Bangladesh, and you have an exam the next day and you get told by your parents, "What are you doing? You've got an exam tomorrow, you're watching Bangladesh versus Zimbabwe or something," that's when you realise that it's deeper than you think.

I went abroad to England to study – I graduated from there in business and sociology, and then I did my masters from Warwick in Marketing and Strategy. In between, all the games that Pakistan played within England, I used to buy tickets, I used to pay out of my skin (because, remember, I was on a budget) to follow the game. I watched the 2009 World Cup victory that we had under the leadership of Younis Khan. I was present at most of the games. I saw the semifinal, I saw the final, I saw some of the preliminary games and I was obsessed.

And I would sit and blog. I used to go on the ESPN blog in those days and write about it. So I think it was a very natural thing. Anybody who knows me knew that I was always into it. And eventually, when I got back, I started doing a bit of side stuff, like I was very passionate about beauty so I started my own makeup studio, and I used to do all kinds of creative makeup on the women that used to come to me, and I was making – to be honest – a fair bit of money as well. As luck had it, there was an opportunity with a news channel and I gave an audition. They really liked my work, because they thought I was confident on camera and I also knew my cricket. So that was a good combination to have, as someone who had never been on screen – with no background whatsoever in the field of media. I feel like that's how it all started for me.

Young women in Pakistan really look up to you as a model for success, whether that be in journalism or otherwise - especially in light of all the toxicity and discrimination women have to face. What career advice would you give them when it comes to establishing a presence for themselves, breaking the glass ceiling, and having a unique personal brand?

I think the first thing that women who want to come into this field need to realise is that there's no shortcut to success. I know it's a cliché, but you have to work very hard. I was so into my work that I, for the longest time,

remember sacrificing personal events, weddings, you know, a lot of family commitments because I was away on tours, I was covering those tours. I was sometimes even paying out of my pocket to be reporting from England, Australia. I really went the extra mile to be present at these doors because it was important for my growth to be there physically to see what it's like to cover a test match.

You can never be a proper cricket presenter or a cricket broadcast journalist if you've not done test cricket. I'm purist at heart, and I feel like you need to really appreciate that format to understand what the sport is all about. And my advice to them definitely would be, first, make sure that you're in love with the sport. It's very important. You need to be having that extra knowledge that nobody else has, and you need to be genuine about it. It shouldn't be something which you do because you have to. You do it because you want to. And breaking the glass ceiling is something I am told a lot, that you were the one who broke that glass ceiling. I had my fair share of challenges.

People think that it was all smooth sailing for me, but I know that it wasn't. And having a unique personal brand is something one should not, I feel, actively or consciously strive for. But it is something that develops over a period of time in itself if you are on the right path and making the right decisions and are creating an individual space for yourself. Like I always tell people, I don't want you to be me. I tell a lot of young girls who write to me, come up to me and say, we admire you and want to be like you. And I say, I don't want you to be like me: I want you to create your own career trajectory. Yes, I've given you some inspiration. But you need to be able to create your own path. And you will, provided you have the basics covered. It's not really about appearing on the television screens and looking good. That's something that's a requirement because of the television medium, but it should not be the priority.

So my message to them would be: work extremely hard, do your research, and carry on building your profile - and someday you'll get somewhere and reap the rewards.

The PCB Chairman recently vacated his post due to alleged interference in his domain. This has been a regular occurrence for us in our history. How do you think excessive politicisation has impacted our national team's sense of continuity and overall morale, and what are some measures you would propose to mitigate it in favour of more merit-based approaches?

Yeah, I think it's really unfortunate that consistency is something that has rather been lacking in this board of ours. I mean, this is probably going to be our third Chairman in a span of what, one year. And I think it's unfortunate that we don't have consistency. It does affect the team, it does affect the players because when your leadership at the top changes, it changes everything. Your management changes. When your management changes, decision-making changes. When decision-making changes, there is job insecurity within the camp, within

the players. They're scared for their jobs and their places, and they're not able to deliver the way they should be. So, that's the unfortunate part.

I feel like, yes, the players have also kind of got used to it in a bad way, that's the probably the worst thing to come out of it, that you sort of become immune to it. But at the end of the day, when you are held accountable for your performance, you look back and you think, actually, I don't know if I will be retaining this spot of mine in the [playing] eleven tomorrow because you don't know if there'll be a new Chairman, with his own likes and dislikes, what will happen then. So there is a lot of job insecurity when there is a management change. And I feel like there needs to be continuity, just like we hope that there's continuity and consistency within our country.

I'm not a legal person, I'm not somebody who's a lawyer, I'm not somebody who is well-equipped to talk about the constitution, but I feel the PCB should be an independent body. It should be run like a private organisation, like a corporation with an internal hierarchy - which will mean a proper structure, delegation of power, and operations similar to major multinational companies. Unfortunately, it's so politically affiliated with the authorities that there is so much influence and there is so much that shouldn't happen but happens. But that is just how it is. But if you're looking for merit, then you need to have a system which is independent and run on its own as opposed to having any kind of political interference.

The PSL has really made the waves in recent years, growing in popularity with each subsequent iteration. What are some ways in which you feel the tournament can be further expanded in scope and are there any areas of improvement that you feel we can work on?

It's great to see that the PSL has really managed to put itself on the global map. It's a league that has only grown bigger in size and has come a long way considering it started its journey in the UAE and then moved to Pakistan when cricket returned. It's great to see the way it's helped our players. We've discovered so much new talent through it and these players have then gone on to represent Pakistan on a national level where they've been playing in different tournaments, World Cups and bilateral series. So the PSL has been a fantastic initiative and I've been associated with it for the last eight years since the time it started.

When it did start, I don't think any one of us were really aware of all the advantages that Pakistan cricket would get in the future due to this particular league. I think one way of growing it is definitely by adding more teams because the more the number of teams, the more the amount of money that will be invested in the league and the more the sponsorships and that's something which will be fantastic for our cricket economy. Also, the more the amount of money, the more the quality will improve.

You get to hear from all the players around the world, all the ones that I've spoken to, that it's the best bowling league in the world for sure. The kind of fast bowling talent that we've seen here, it's really, I think, unparalleled and that is due to the HBL-PSL giving a breeding ground to all these fast bowlers which possess sheer, raw talent. And I think by adding more teams, it will only grow more and we'll have a lot more opportunities for many stakeholders that are involved.

What are your thoughts on the upcoming Asia Cup being a 'hybrid' model, with some games played in Pakistan and others in Sri Lanka? Is this an instance of Pakistan being pressured by the BCCI and the broader international community to incorporate India's preferences or will it make for a better and more diverse overall tournament? Additionally, what do you think the implications of this will be on Pakistan's involvement in the upcoming World Cup in India?

I think I'm just glad that we have at least some games happening within Pakistan. It was always going to be a very political decision, considering the relationship between India and Pakistan on a political level. And initially we were hearing that it's going to be entirely in Sri Lanka. So I do feel like it's just the fact that we have some games happening in Pakistan is going to be a reason to rejoice for the people of Pakistan. The remaining games are in Sri Lanka, but India is obviously not coming to Pakistan to play, which was always going to be expected because at this point of time. A lot of things are decided on a government level and unfortunately, cricket and politics are interlinked. So that's just how it is in terms of how the tournament is going to be. Asia Cup last year was extremely interesting and if you remember, there were some very good games that we had between India and Pakistan, and it's always exciting when these two rival teams meet, no matter where it is, which part of the world.

And I do feel like in terms of implications of Pakistan's involvement in the World Cup, I think Pakistan will go to India to play. I would be very surprised if they don't. It's a World Cup, a global event. It is an event where all teams will partake and I feel like Pakistan would be isolating itself if it decides to not go altogether. I think Pakistan will go, it's just that Pakistan needs to ensure that there are no safety and security concerns when they do visit. So that is something that needs to be assured by the relevant organisations. But I feel like Pakistan will go and we'll get to see a very good World Cup. Hopefully.

Your brother, Hussain, has in recent weeks been involved with the team as a strength and conditioning coach, how has that experience been like for him and does he intend on continuing? What are your general thoughts about our team's fitness levels, which always seem to be lagging behind other teams?

My brother is an entirely self-made individual who started off by doing trainings after he received several diplomas from the National Academy of America in strength and conditioning.

Then he also went on to do a Master's from the University of Nottingham in Sports Medicine, Sports Science, and I think his dissertation was specialising on athlete injuries. From there on, he also worked for the ICC Academy. He did an internship there for a few months. He worked with some of the UAE cricket players and just helped them out with their concerns following his Master's. He went on to work with Crystal Palace and he interned there for a few months.

And in between, when he was in Pakistan, before that, he had his own gym where he would train people. And I think more than training, his speciality has always been rehab. And in our part of the world, it's a concept which is often misconstrued. And it's often misinterpreted, I feel like, with him because he's practically a doctor in terms of his knowledge. I think it's great that Pakistan camp is using his services because they could really do with somebody who's local and knowledgeable.

And I think that our team's fitness levels are an area where it's in constant evolution. Over the last decade, from that we've seen, I think there's no room for complacency anymore. If we live in a world where fitness is given prime importance, then why not? In order to sustain yourself at that level and play all different kinds of formats and play all leagues and then play all the tournaments and then the test matches which require the optimum level of fitness, etc. When you're bowling a certain amount of overs in day, you have to be physically and mentally fit. And it's good to have him [Hussain] give them the opportunity to grow on that level and improve themselves and become the best version of themselves.

So it shouldn't be taken lightly. And it's something that I feel like all the players should on an individual level realise the importance of and improve.

You've commented in the past about how journalists operating in the sports domain are 'bought' by players. How do you assess this phenomenon, and more broadly how do you think analysts/commentators can avoid falling into the traps of the media sector and prioritize fact-based coverage over opportunistic objectives that have to do with giving favours, engaging in 'gossip' for hits, and not being critical enough of things that may be going wrong with our cricket?

I think it's a topic that I've already spoken about. I think it is a relatively common practice that happens. But I do feel like in the long run, it doesn't get you anything. It doesn't yield you any kind of results, for the player and the person in concern. I'm talking about both individuals, because the player needs to thrive by delivering, by performing. Hanging on to certain names or asking people to raise their voices for them is not really going to help.

It is something that they can actually do on their own and it doesn't require much talking. It just requires their bat or their ball, which do the talking. So I feel like if they perform on their own, they will not need anyone's

help to get further. And it's the same with journalists. I feel like if you do good work, if you do good stories, if you cover things properly, if you are well informed, then you don't need to be resorting to clickbaits and severe criticism. Criticism is good if it's constructive – and I feel like commentators or analysts that we have, the good ones, you will always see that they're known for their work, the points that they make, as opposed to only criticising.

Like, we've seen somebody like Nasser Hussain: we look up to him, and now he's somebody who's known for his commentary, his analysis, the way he speaks, all of that, as opposed to somebody who just goes on criticising for the sake of it. So it's very important to have better role models as well, in that sense, and only grow better and bigger by focusing on the right things as opposed to the wrong things.

There's been a lot of debate around Babar Azam's position as captain in all formats. Do you think he should be backed by the fans and does he have the capacity to truly lead the team and act as a mentor to the younger lot?

I really want to ask those people who say that there should be another captain apart from Babar who their alternative suggestion is. Because the fact of the matter is that we do not have a ready-made captain waiting in the line. If it was a case that you had somebody like Ben Stokes then why not? But the fact of the matter is that Pakistan is a different country to England, it's a different country to Australia. And the reason why I'm giving these examples of these countries is because leadership is something which is taught and ingrained in you from the start when you're playing in club cricket there in schools and when you're playing domestic cricket.

Because it is something which is a part of their culture that you have to be leaders: you have to know how to dominate, you have to know how to be aggressive. All those instincts that we often see in Australians and now the England team are ingrained at a very basic level. Pakistan is a country which thrives on raw talent like I previously mentioned. And we're gifted to have somebody like Babar Azam as a batsman. And naturally he was chosen as the leader because he was somebody who is very consistent. We've often had issues in consistency in terms of the people that we select for our playing eleven, for our squads. If one player is playing one tournament we don't know if he'll be playing the next one because there is inconsistency in the selection processes – there is inconsistency in even performances. So it's very difficult to back somebody who you do not know for sure will be a feature in the starting eleven. But with Babar we know that he will always be a feature in the starting eleven. And I think Babar has grown as a leader. I think there's still a lot of room for improvement. If I may add he may not be a 'natural' but he is somebody who's learning on the job and it's important that he learns from his mistakes over the years and only gets bigger and better. So yes, I think we should back him, at least until we really feel that there is somebody waiting as a replacement.

Where do you think our greatest strengths lie, whether that be in the form of players or collective strategies, that you feel could really give the team an edge in the upcoming Asia Cup and World Cup?

Our greatest strength has always been our bowling. Since at least the time I've followed cricket, Pakistan has been a team that has really done well based on their bowling. Their bowling has taken them forward in every series, tournaments, you name it. We've won matches in the past based on our bowling. Right now Pakistan is fortunate because we do have an exciting crop of fast ballers and that includes the likes of Shaheen Shah Afridi, Naseem Shah, Haris Rauf, among others. We've seen others like Ihsanullah in the PSL as an emerging fast baller. There is [Muhammad] Hasnain waiting in the wings. There is Mohammad Wasim Jr. These are all guys who can clock 140+. I don't think that's a luxury that every team around the world has when you have at least four or five options which are just there because you have this embarrassment of riches as we call it, which is the base battery of Pakistan cricket.

They all bring a different level of skill. I just hope that they're all fully fit including Shaheen because he struggled with an injury and he has returned but it's never easy when you have a knee injury. It always takes a while to get back into rhythm. We saw glimpses of that in the PSL. He was particularly good but I hope he can sustain that over a longer period of time. So yeah, I do feel like our bowling is always going to be the force behind our success even going forward. We need to preserve our fast ballers. We need to look after them because these are bowlers that can bowl well in all kinds of conditions.

Where do you think our greatest weaknesses lie, whether that be in the form of players or collective factors, that you feel could really jeopardize our prospects in the upcoming Asia Cup and World Cup?

So I think the New Zealand series give us a fair idea of where we stand as a team, especially in Asian conditions. I think that number four, number five spot was something that we were not sure of. I think if the Iftikhar Ahmed is a great answer to that, somebody who can bowl a bit of offspin and also be the power hitter we're looking for at that number. But in terms of what our real weaknesses, I feel I just hope that the batting is not over reliant on the top order, because there will be times when Babar Azam doesn't score, there will be times when Fakhar Zaman doesn't score, there will be times when Imam ul Haq doesn't score. So we need to have a plan B, we need to make sure that our lower middle order and middle order contribute. But I think the biggest challenge for us as a team is going to be, as always, how we handle the pressure.

If I look back, in the last few years, Pakistan team has done well in tournaments by reaching the finals and semifinals and all of a sudden they've even got themselves in a position where they've dominated proceedings.

But from there onwards, they've sort of lost their way if there's been an onslaught from the other end. So, for example, Rajapaksa hitting Pakistan in the Asia Cup final to all parts, or Virat Kohli doing what he did in the World Cup match against India. So, yeah, I think that is an area they could work on.

Which team do you think is the Dark Horse for the Asia Cup and World Cup, and why?

I think that would perhaps be Sri Lanka, and mainly because of the fact that they've always got certain spinners up their sleeve, which always do well in Asian conditions. We have Nepal. We have Afghanistan. I mean, you could look at Afghanistan as well. I just feel like Afghanistan, again, is a team that has some spinners that have done really well for them in the past. So I feel like both these sides, you can never really rule them out. Sri Lanka won the Asia Cup last year against all odds, so it's hard to really make predictions, clear predictions here in terms of who's going to win and who's going to be the 'Dark Horse' – but yeah, if I were to put my fingers on something that probably be Afghanistan and Sri Lanka.

We are currently ranked 6th in Test cricket. What are the factors, in your opinion, that make us quite weak in this domain compared to the other two formats? Why do you think the popularity of Test cricket is declining, and what do you think the future of it might be?

I think in order to win a test match you need twenty wickets. That's been an area where we have struggled. It requires a very, very potent bowling attack which has the right balance of spinners and fast bowlers that can bowl for longer periods. Remember this is test cricket, you're not bowling four overs, you're not bowling ten overs, you're bowling many more overs than that in a day and you're expected to take twenty wickets. So first of all you need that fitness level to be there. I think we lag in our fitness in that format. And then when it comes to playing overseas in conditions like where the ball is moving a little bit, there's a bit of swing on offer, whether it's a conventional swing or reverse swing, we struggle with that.

So if we end up in New Zealand, the batting will struggle there (which is true for most teams in New Zealand) because of the pace and the seam movement that you get there. It's very, very hard to be playing and dominating in those conditions. And similarly with England as well, they have a brilliant fast bowling line up where you talk about the likes of James Anderson, Stuart Broad, Ollie Robinson, and many others. All these teams have the ability to make the ball talk. So you need batsmen who are technically equipped to be handling this kind of pressure and bowlers who have the ability to bowl in those conditions and take 20 wickets. So I think it's really an area where Pakistan needs to work on and Pakistan needs to understand how they need to adjust to that particular format.

Also, I do feel like the popularity of test cricket on the decline is a perspective that is shared by some people and there might be an element of truth to it, but having said that I also feel that at the same time you look at the Ashes: we just had a wonderful test match between England and Australia, which went right down to the wire. I mean, literally to the last hour, nobody knew what's going to happen. And for the most part, people thought, England has this, England is going to get this, they just need a couple of more wickets. And then you saw that brilliant knock by Pat Cummins, who came out as a true leader and showed resilience and positivity through his intent. So all I'm trying to say is that it's very much alive, at least in England.

You see all the matches and then most of them are sold out whenever England is playing whichever team in the summer. It's just the way they market it, right? So you have a day out in England at the Test Cricket and you enjoy it because you get some great food options, you have great stalls, you have ice cream for kids, so they make it into a whole experience, right? And the weather is beautiful, so it's just about how you're selling your product to the people. If you're going to be playing in 60 degrees with no water and no refreshments, people might not be excited to come and spend that time, because you need to remember that people go buy tickets for the whole experience. It's not just that you're going to watch cricket. I mean, you have the purists, like me, of course, who want to watch test matches. But the world has changed and the audience has changed, and now people don't have that much time in their life to be dedicating five days out to just watching cricket in conditions which might not suit them.

So it depends on you. You've got to sell it better. You've got to market it better. It has to be some form of entertainment for kids. It's so important to get the audience, the spectators, more involved and more engaged, and that's just the way you're going to keep it alive. And I do feel like it's the purest form of the game. So it's something which is at least very close to my heart. And I feel like the people who still love the game and have been following it do feel that it is the best format in cricket.

Who are some younger players that you feel have a lot of potential to go on to become global superstars and how do you think the domestic cricket scene can be rethought to incubate talent in a more structured manner?

There are lots of players that have done really well in the PSL, but I was particularly impressed by Saim Ayub. I think a lot of people have already seen him and spoken about him. He is immensely talented, in terms of shot selection, technique, etc. I feel he's young, but he has an abundance of talent. I hope that he uses it wisely and I hope it's not a talent that goes to waste because he is supremely talented. The no-look shot of his, his stance... a lot of people making comparisons to Babar Azam with the way he plays. I think the boy has a long, long way to go and he has a long future provided he's groomed in the right way.

As far as domestic cricket is concerned, I feel like there are lots of ways to improve. Initially it was said that you need to improve the quality of balls, but I feel like we need to improve the quality of pitches. If you go to Pindi, you'll see all the pitches are grassy and very bowler friendly. If you continue to make such pitches, what happens is that you end up getting bowlers who bowl at 130 and eventually we'll run out of fast bowlers. Fast bowlers feel the need to bowl fast because of the fact that the pitches are so mundane that you need that extra bit of effort. You need that extra bit of pace to get you wickets or to penetrate through the barring line-up.

I feel we can definitely improve our soil. There was a talk about dropping pitches as well earlier on. But I think if we need to be improving our pitches, we need to be making our domestic cricket again more sellable, more marketable. We have empty stands in our domestic cricket. Hardly anybody goes to watch it.

So I think the idea is just improving the structure on every level. It's not just about the playing conditions, it's also about making the experience much better for the viewer and the person who's come to watch the game.

If you were not a cricket presenter, what alternative career path would you have taken and why? Could it have been politics, similar to your mom Andleeb Abbas?

I think if I wasn't a cricket presenter, I would have ended up as a makeup artist. It's something that I was very passionate about back when I was younger, and even now. Beauty is something that comes to me. It's in the creative space, which I've always been fond of. I've always been into aesthetics. I've always been into visuals. And transforming. And playing with colours. And I think as a makeup artist, when I was working as a makeup artist, it's something that I really enjoyed doing. So yeah. I think if I wasn't a cricket presenter, I would be a makeup artist. It's something that I've always enjoyed doing.

Zainab Abbas is a world renowned Pakistani television host, sports presenter, commentator, and former makeup artist. She may be found on Twitter at @ZAbbasOfficial.



PCB: PAKISTAN CRICKET BOARD OR POLITICAL CRICKET BOARD?

Wajhullah Fahim

With the division of the Indian sub-continent, the British Raj came to end but the colonial governance framework, colonial laws and structure of power remained intact in both India and Pakistan. Cricket was also inherited from the British who introduced it in the sub-continent, a game that today ranks as the most played and famous in both India and Pakistan. After the independence of Pakistan on 1st May 1949, the Board of Control for Cricket Pakistan (BCCP) was established to promote cricket and on January 1994 this body was replaced by the Pakistan Cricket Board (PCB).

According to the 1962 Ordinance of Sports (Development and Control), the Pakistan Cricket Board (PCB) is the governing cricket body in Pakistan. The PCB is not only responsible for regulation and administrative management but also for the promotion of cricket in Pakistan and generating a positive image of Pakistan worldwide.

Like other cricket boards in the world, PCB has its own constitution and does not receive any financial assistance from either the federal or provincial governments, instead generating its own revenues. Before the 2014 amendment to the constitution of PCB, the Head of State (President) of Pakistan was Patron in Chief of the PCB and had the right to directly appoint its Chairman. This was changed in 2014, when an amendment declared the Prime Minister as the Patron in Chief and Chairman appointed via a vote among the Board of Governors (BoGs). The tenure of the Chairman was set to three years as well around then. The BoGs of PCB consists of ten members; four from the region, four from services organisation and two to appointed by the Patron in Chief.

Despite having a proper framework, the Chairman of PCB is always appointed based on political nepotism and affliction. Recent events in the sacking of Ramiz Raja as Chairman and Najam Sethi's tweet on 20th June 2023 declaring his vacating of the Chairman's post clearly illustrates the political interference in Pakistan Cricket Board.

First of all, as PCB is an autonomous body in terms of its income and expenditure political interference is unjustifiable. The government should only ensure transparency and accountability in PCB matters and nothing else,

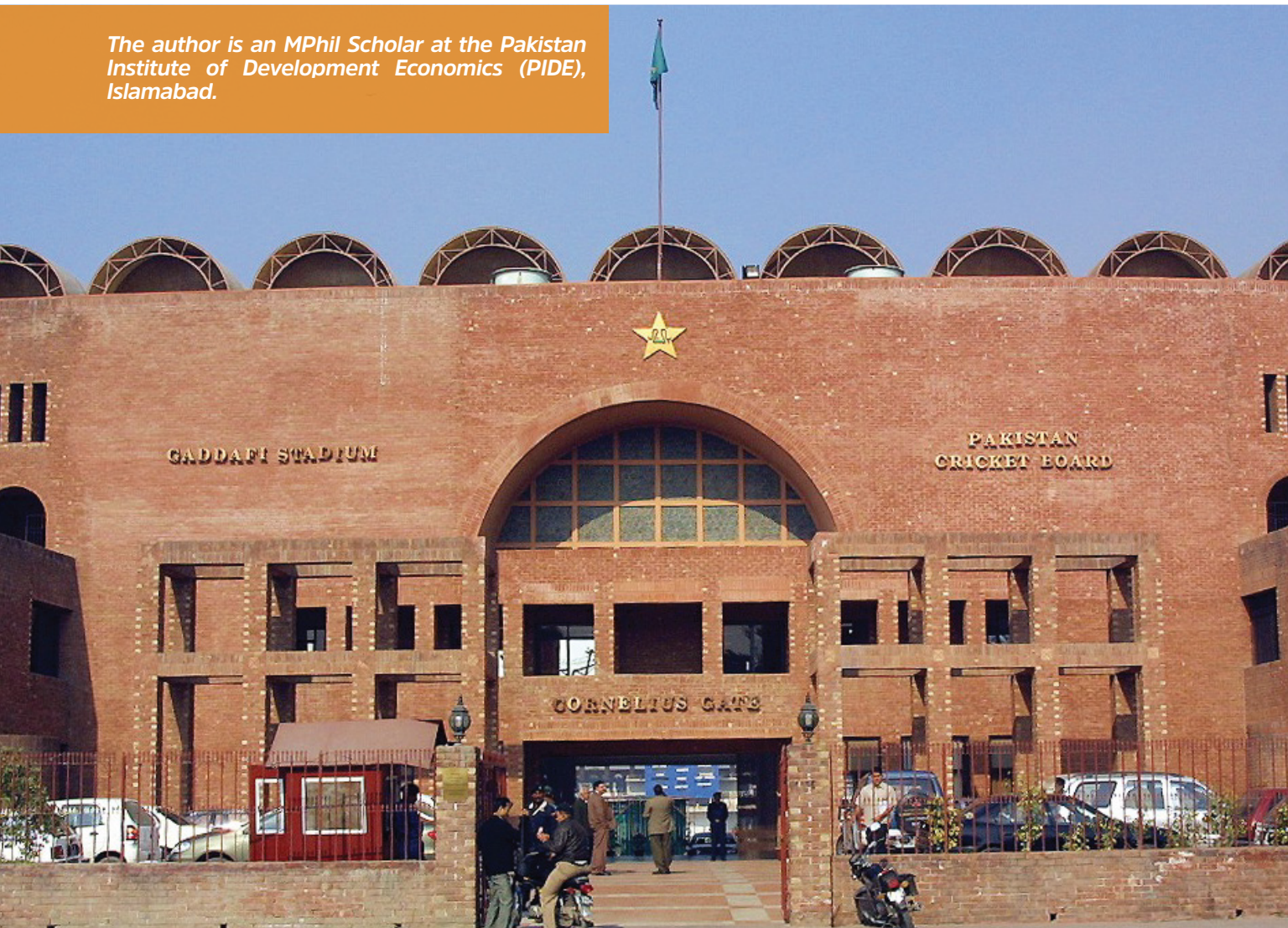
because without this PCB will become an office of a political party. Like uncertainties in the political cycle of Pakistan, the seat of PCB Chairman always remains under clouds of uncertainty – which has had devastating impacts on cricket in Pakistan.

Following the formation of the Big Three in the International Cricket Council, the influence of the Board of Cricket Council of India (BCCI) has increased. In global cricket, India and Pakistan never support each other: something that has negatively affected the PCB. Rivalries with BCCI and political pressures on PCB have made hosting ICC mega events in Pakistan almost impossible. Let's consider the current scenario of hosting Asia Cup: after the refusal of BCCI to travel to Pakistan, PCB under Najam Sethi proposed a hybrid model for the Asia Cup – in which the first half will be played in Pakistan and the second half in Sri Lanka. The Asian Cricket Board accepted this model, but Zaka Ashraf (like the next PCB Chairman) said in his TV interview that he already rejected the hybrid model of the Asia Cup. Under such unpredictable conditions, other cricket boards and the International Cricket Council are unlikely to lend support to the PCB in the future. Coaching staffs and players can deliver better results when they receive support from PCB – not just monetarily but also in terms of mental support for coaching staffs and players. In the past, changes in the Chairman post have led to disturbances in coaching staff, captains and vice-captains. When new coaching staffs are appointed it takes some time to adjust and familiarise themselves with players – but in our case they have removed before they have even had the opportunity to do so. Similarly, coaching staff have been removed and appointments of new captains have also been observed with the change of Chairman. When such conditions prevail, it produces disastrous impacts as players will play for themselves, not for the team. The selection committee is another important element and along with changing of coaching staffs and captains, the whole selection committee also tends to be revamped with the change of Chairman. In the past, certain players have automatically been selected captains appointed even though they had been out of action for extensive periods just prior.

In the past during the domestic season, various departmental teams took part alongside regional teams. The departmental cricket was a source of income for many players, but when Imran Khan became Patron in Chief he abolished the structure of domestic cricket and introduced an entirely new structure comprising six teams only. The new structure has failed to deliver quality infrastructures and players, snatching away the hopes and dreams of many players who are now unemployed. According to TV reports after the abolishing of departmental cricket, many cricketers have been compelled to drive online ride services for their earnings.

For a better future for Pakistan cricket, political pressure and power over PCB needs to be eliminated and the body turned into an autonomous one. Eligibility for Chairmanship should be contingent upon factors such as experience in sport management, formal qualifications in sport science, and other merit based criteria. Most importantly, a complete ban on appointments based on political afflictions ought to be pursued immediately. The direct nomination of name by the Patron in Chief for PCB Chairmanship should not be allowed and appointments should be based on formal, transparent mechanisms. Proper advertising of the post, form submissions and free and fair election-like steps should all be part and parcel of the process for appointing the PCB Chairman. Regional and departmental cricket representatives in the PCB's Board of Governors are also important stakeholders on this crucial decision, and their preferences must be taken into account. For the selection of a competent Chairman, regional cricket election should be conducted freely so that only one member of regional cricket always becomes president of that region and also member of the PCB Board of Governors. With the help of such steps, the politicisation in the Pakistan cricket board can be minimized.

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ARTS & CULTURE

THE PAKISTANI CITY AS A CHARACTER:

A NEW NARRATIVE APPROACH TO PAKISTAN'S URBANISATION CHALLENGES

Hamza Sarfraz

There is a pair of intertwined challenges adversely impacting contemporary Pakistan.

First, there is the dizzying pace of urban development that the country is undergoing. The rate of this urban expansion is transforming the landscape at an unprecedented scale. A closer examination reveals symptoms akin to growing pains seen in many Global South countries. There's the looming issue of inadequate housing, a problem that lies at the intersection of skyrocketing urban population and limited infrastructural resources. The lack of sufficient and affordable housing options has left countless citizens without a roof over their heads, driving the proliferation of informal settlements.

Parallel to the housing crisis, dispossession is rampant as the urban sprawl intensifies. As cities expand, many citizens are uprooted, their land and property overtaken for new developments. These cases of dispossession are not just about losing physical assets, they also signify the loss of cultural roots, communal ties, and a sense of security for many individuals and families.

Further, as cities reach outwards, there's a steady encroachment on rural hinterlands. These regions, once characterised by their distinct rural cultural cycles and agricultural prowess, are rapidly getting consumed by the concrete jungle. The rural-to-urban transformation has implications beyond mere aesthetics; it threatens food security, disrupts ecosystems, and exacerbates climate change.

The unchecked spread of suburban sprawl, meanwhile, stretches the city's resources thin and imposes a substantial environmental cost. The growing disconnect between the city's core and its periphery also creates challenges in transportation, social cohesion, and the provision of essential services.

The urgency of addressing these challenges cannot be overstated; the city's future liveability, sustainability, and resilience hang in the balance. And yet, in a twist of irony, we are faced with a second challenge where Pakistan, even in the throes of such intense urban challenges, is grappling with a conceptual problem.

The city — the heart of all this development and transformation — isn't widely perceived as a shared space. Instead, it is often reduced to a commodity to be exploited, a possession to be claimed, or at worst, a problem to be managed.

The city's political conceptualisation is of paramount importance as it shapes the way urban spaces are designed, managed, and experienced. Viewing the city as a shared space underpins the idea of collective ownership, communal responsibility, and mutual respect. It acknowledges that the city is a mosaic of diverse interests, values, and dreams that need to be harmoniously integrated. Without this perspective, urban spaces run the risk of becoming fragmented, exclusive, and unsustainable.

Addressing these challenges demands not just practical solutions but also a shift in perspective. The city needs to be seen not just as a stage where economic life plays out, but as a collective organism, alive with the aspirations and trials of its inhabitants. But how can we transform this perspective? What would it mean to imagine the 'City' not just as a physical entity, but as a living, breathing collectivity, a shared heritage, and a common future?

The notion of conceptualising the city as a collective organism — brimming with life and vibrating to a unique rhythm — demands a fundamental shift in our perspectives. It is not merely an abstract idea but a radical reframing of our understanding of cities, moving beyond seeing them as inert physical spaces or administrative units. Instead, we begin to envision cities as living, dynamic entities, each with its distinct identity and trajectory, embodying a vibrant mix of history, culture, aspiration, and human endeavour.

To foster this transformation, it is crucial to reinterpret our perception of the city's institutional arrangements and the myriad actors within its bounds. The city's institutional structures — be they governmental, educational, cultural, or commercial — are not just functional entities, but are integral parts of the city's character, playing decisive roles in shaping its identity and directing its growth. Similarly, the city's inhabitants:

individuals, communities, businesses, and other entities - aren't mere passive recipients of urban services. They interact, collaborate, conflict, and negotiate with each other and with institutional structures, their actions and decisions collectively weaving the intricate tapestry of the city's narrative. Each thread in this tapestry tells a unique story, and it's the interplay of these millions of narratives that give the city its distinctive character.

The idea of cities as collective organisms is not new, but it has mainly been restricted to academic circles. There's a wealth of academic research on major Pakistani cities like Karachi, Lahore, and Islamabad. These studies contain valuable information on the cities' history, architecture, culture, and social dynamics. However, they are usually not accessible to the public. This is where storytelling through popular media can be useful. TV shows and movies can present city life and issues in a more accessible and meaningful way. They can show real-life scenarios and depict the daily challenges and triumphs of city dwellers. Through popular media, stories of the city can reach a wider audience without the barrier of academic jargon.

Moreover, this kind of storytelling can make urban narratives more democratic. It allows the voices and experiences of everyday people in the city to be heard. It highlights not just the brick-and-mortar infrastructure of the city, but also the realities of daily life and the diversity of experiences within the urban environment. This can lead to a more well-rounded and practical understanding of the city and its complexities.

There's immense potential in harnessing popular media to portray city narratives. We have seen internationally acclaimed TV series like "The Wire" which presented an intimate portrait of Baltimore, delving into its institutional arrangements, societal divides, and the everyday lives of its inhabitants. Similarly, anime series such as "Ghost in the Shell: SAC" not only captivate audiences with futuristic Tokyo's depiction but also provoke thought about urban existential questions and technological transformations.

Such storytelling isn't just engaging and relatable; it serves a higher purpose. It casts the city not merely as a backdrop but as a protagonist in the narrative, allowing audiences to grasp the city's complexity, dynamics, and spirit. This approach helps frame urban issues in a relatable context, stimulating public discourse about urban planning and policy. Moreover, it cultivates a sense of empathy and connectedness among the viewers, enabling them to understand and appreciate the shared space they inhabit.

This narrative approach fundamentally shifts the paradigm of conventional storytelling. In traditional narratives, the city is often relegated to a backdrop, a passive setting where human characters play out their stories. However, in this innovative approach, the city itself emerges as the protagonist. The city's structures, the networks of institutions that make it function, and

their complex dynamics become integral to the plot. The story is not just happening in the city; it's about the city. It's about the city's character, its triumphs, and its tribulations.

Furthermore, the narrative gives a voice to the city's institutional arrangements. The structures that facilitate transportation, dictate governance, guide economic activities, or promote cultural interactions - all become active players. They engage, conflict, collaborate, and evolve, much like human characters. Their roles, interactions, and transformations shape the city's journey, highlighting the complexities and intricacies of urban life.

Adopting this narrative method could be instrumental in deepening our understanding of Pakistan's escalating urban issues. It promotes a holistic perception of the city - as a living, evolving organism, marked by distinct struggles and aspirations. By placing the city at the centre of the narrative, it reveals the city not as a static entity but as a dynamic character, constantly responding, adapting, and transforming in the face of challenges. Such a perspective can foster greater empathy for the urban challenges, stimulate public discourse, and inspire innovative, inclusive solutions for Pakistan's urban future.

In conclusion, the transformative approach of perceiving the city as an active character and not just a static backdrop offers an innovative way to engage with the challenges of urban development. Storytelling through popular media brings the city to life, allowing it to share its experiences, and fostering a deeper appreciation for our shared urban spaces. This not only widens the reach of urban narratives but also strengthens a collective understanding of the complex tapestry of urban life and its nuances.

This narrative strategy has the potential to fundamentally shift the discourse around urban development in Pakistan. It can stimulate meaningful conversations and encourage more inclusive policymaking aimed at fostering sustainable, equitable, and inclusive urban growth. The power of such storytelling lies in its ability to make the city's triumphs and trials palpable to all, thereby galvanising collective efforts towards creating resilient, vibrant, and liveable cities. The city, in its role as a protagonist, can become the rallying point for envisioning and shaping a better urban future for Pakistan.

The author is a policy researcher and speculative fiction writer interested in cities, education, history, development, and storytelling. He tweets at @wingsforus and can be reached at hamzasarfraz1@hotmail.com.

THE LITTLE MERMAID MAY HAVE JUST MADE A GROUND-BREAKING STATEMENT ABOUT REAL WORLD POWER DYNAMICS

Maria Furqan

For the 90s kids, *The Little Mermaid* is more than just a fictional movie! It essentially encapsulates a significant phase of their childhood: when things were simpler, not to mention the sentimental value that comes along with the nostalgia this film offers to the same individuals who have now become adults. Perhaps this is why it has been a hot topic of discussion lately, not only in the West but also worldwide, given that it's part of pop culture! I still remember as a little girl, my dad showed me *The Little Mermaid* on our VCR, which used to be a privilege back then in Pakistan.

Such movies play a major role in narrative building and psychology for children who look up to these fictional characters and resonate with the romantic ideals such films have to offer.

The core belief that one day, a Prince Charming will come to save us deeply gets ingrained into the minds of young girls who are amazed by these Disney Princesses living in a magical world and start viewing their lives from that lens, forming unrealistic expectations. This is where filmmakers have a huge responsibility in terms of the narratives they build through their visual communication and storytelling.

As far as the current remake of *The Little Mermaid* is concerned, I believe the director Rob Marshall has paid particular attention to this aspect and made significant effort towards building a narrative in line with political correctness. A big step indicative of this was to cast a Black actress for a typically curated Caucasian character of 'Ariel'.

There have been mixed reviews regarding this decision. While feminists and leftists in the States are applauding the casting team for promoting diversity and inclusion by making conscious choices when it comes to storytelling, the right-winged conservatives are showing their

disappointment via hate comments and dislikes on Twitter. So much so that the Chinese have blatantly condemned the casting choice of a "Black Ariel".

This goes to show that unfortunately racism still prevails regardless of whether we're living in a so called 'developed' country or a 'developing' one. Even after the rise of 'woke' and 'cancel' culture, the problematic discriminatory mindset that marginalises particular races based on 'universal beauty standards' (essentially European standards of beauty) still prevails.

It's unfortunate that the world after so many decades of colonialism still continues to carry out oppression against particular races. It's just that the form of oppression has shifted and now taken the form of resistance towards representation of these previously colonised races in mainstream media.

The actress starring as Ariel, Halle Bailey, is not only a badass protagonist in the movie but also in real life! Along with her team, she has managed to not only showcase resilience and empowerment as Ariel, who alone goes and fights the evil sea witch, Ursula, and saves her prince charming, Eric, as well as her father, King Triton, all while raising her voice as the Black actress against the racial backlash her and her team are receiving!

Now if this isn't the epitome of bravery, then I don't know what is!

Halle goes on to share a quote to inspire young girls: "I want the little girls just like me who are watching to know that they're special, and that they should be a princess in every single way." She is setting a precedent by proving that representation matters!

While these typical privileged, right-winged, millennial American male critics may easily throw in hate comments about their childhood movie being ruined for "lack of better taste", think about how important it is for young Black and Brown girls to see someone who looks like them as the main heroine onscreen!

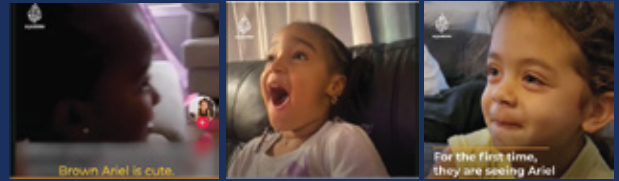
Parents go on to show the reactions of their kids to “Black Little Mermaid” and it’s the most wholesome thing ever!

Such representation will hopefully play a role in shaping the power dynamics for future generations!

Trevor Noah, a South African Comedian and Political Commentator insightfully sheds light on the double standards of the American society in his ‘The Little Mermaid’ special on The Daily Show. He not only points out the racist ideology being propagated by right-winged Americans but also counters their criticism by advocating for Halle’s unmatched talent as a singer for a movie that is literally a musical, which makes her an exuberant choice for the role!

An important point to note is how The Little Mermaid holds real world parallels with a fairly recent observation of racism yet again leading to mainstream media prioritising the story of the submarine tragedy featuring the deaths of a handful of rich and powerful (5 to be precise) over the boat tragedy involving deaths of approximately 700 racially marginalised immigrants sinking due to overload, who were migrating to Europe in hopes for a better future, “with Pakistanis singled out and forced below deck where their chances of surviving a capsized were less”.

So can we really claim that our post-modern world is free from the colonial mindset? Food for thought!



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